Five Pillars Productivity inquiry

Allegra Spender MP

Thank you for the opportunity to participate in this inquiry. Maximising Australia's productivity growth is essential to boosting wages, reducing costs and restoring living standards after nearly 3 years of high inflation. In my capacity as a federal member of parliament, I have been investigating productivity and tax reform closely, consulting with stakeholders and reviewing relevant literature across a broad range of issues.

In line with the scope of this inquiry, I recommend the Productivity Commission seriously consider options to:

1) Adjust corporate tax settings to incentivise business investment;
2) Encourage greater investment in early-stage capital;
3) Encourage department and regulators to self-assess
4) Implement a sector-by-sector assessment and deregulation process; and
5) Legislate a productivity framework within the industrial relations system.

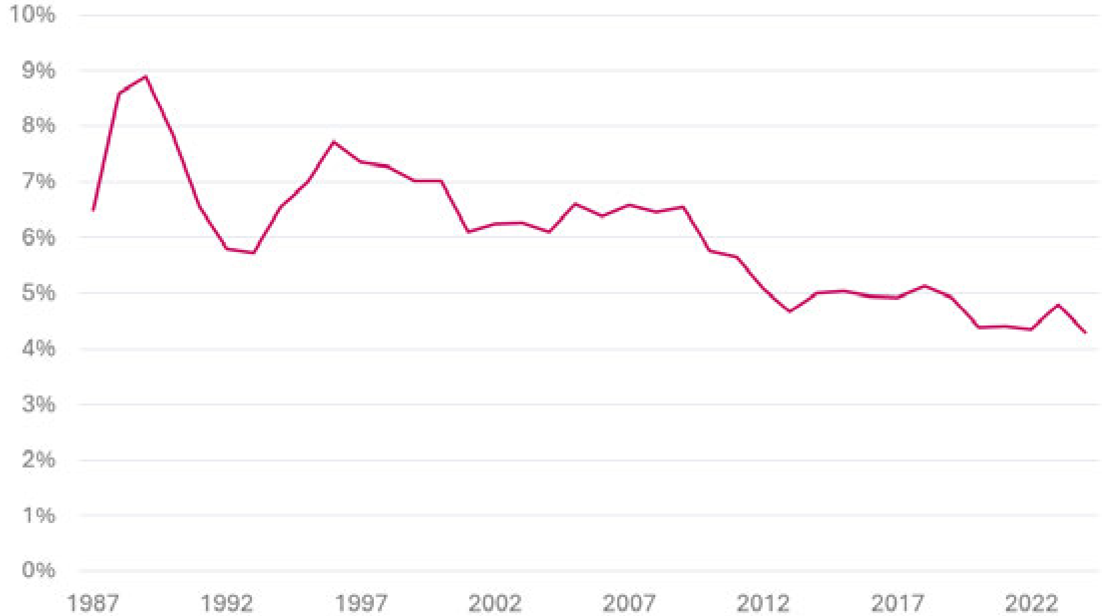
In line with the stages of this review, this submission represents a canvassing of my initial thoughts. I intend to make a more detailed submission in the next phase of this review.

Pillar 1: Creating a more dynamic and resilient economy

Australia's corporate investment environment is central to our productivity which, as the productivity commission has highlighted, is at a 60-year low.[1] However, non-mining business investment has been declining for decades as I highlighted in my Tax Green Paper released last year.

[1] Productivity Commission (2023), *5-year Productivity Inquiry: Advancing Prosperity*

Figure 1: Non-mining investment is at historic lows in Australia
Private non-mining investment, % of GPD



Source: Allegra Spender (2024), ABS (2024)

It is imperative that Australia finds a way to reverse this trend, as we are currently below comparable countries. But as well as looking at investment in existing company investment, Australia needs to seize opportunities to grow new and innovative companies that will help build a more dynamic and resilient economy.

1A: Support business investment through corporate tax reform

Throughout the process of my tax green paper, I consulted widely on how to increase productive corporate investment in Australia through changes to Australia's corporate tax settings. Numerous reviews of Australia's tax system have highlighted corporate tax reform as important mechanism for boosting Australia's productivity and economic welfare.[2,3] The most obvious solution, and one proposed by certain business groups, include a reduction in the overall corporate tax rate.

However, as I noted in my Green Paper, a reduction in the corporate tax rate would likely be, at least initially, costly to our economic welfare and budget position. The investment response is also not certain. While it may make us more competitive for international investment, a cut to corporate tax rate would amount to 'free kick' to existing assets instead of incentivising new investment.[4]

Given Australia's budget position and over-reliance on income taxation, we would need to be sure that such a costly reduction in Australia's income tax would at least be offset through increases in business investment, productivity and activity. A recent case study often cited in this debate is the Tax Cuts and Jobs Act (TCJA) of 2017 in which the United States adopted a lower corporate tax rate of 21% from 35% and introduced an instant asset write off. Emerging

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[2] Treasury (2009), Australia's Future Tax System
[3] Treasury (2015), Re:think: Tax Discussion Paper
[4] Spender (2024), Tax Green Paper

evidence so far suggests that the package did increase total corporate investment, however, at great cost with the investment response far too small to offset the cost of the tax cuts.[5]

Since corporate tax rates are just one factor in determining investment, and given the position of the Federal Budget, we need to consider the best mechanism for delivering investment at lowest cost. Other possibilities – apart from a reduction in the corporate rate – we discussed in roundtables included:

- **Investment allowances**: allows investors to deduct from taxable income a certain percentage of the cost of eligible assets in addition to depreciation
- **Accelerated depreciation:** allows corporate to deduct from their taxable income the cost of capital investments earlier than otherwise.
- **Raising the 30% threshold**: This would ensure that Australia's largest companies continue to pay the highest company rate while effectively lowering the corporate rate to smaller companies.
- **An allowance for corporate equity (ACE)**: Allowing companies to deduct a cost of equity as a business expense as interest payments on debt can be deducted.

From my consultation, the business community appears divided on what mechanisms would result in the most bang for buck in terms of delivering investment. The Corporate Tax Institute, for example, has proposed a full expensing system as a way of directly targeting new investment. [6]

Just as a cut to the corporate tax rate has uncertain outcomes, as do other approaches with research from the RBA suggesting previous investment allowances in Australia have had limited influence on investment behaviour, particularly during normal macroeconomic conditions.[7] There are also concerns, particularly around investment allowances that they preference capital-intensive industries and businesses.

At the end of this process, I determined that the business community needed to unify around a proposal that they can demonstrate will encourage business investment at an acceptable cost to the Australian public.

Funding a corporate investment incentive

Irrespective of the choice made around changes to the corporate tax system, the likely impact at least in the short term is a detriment to the budget position; funding a corporate tax cut or a permanent investment allowance will be costly. In the current budgetary position, it is not prudent to lower the overall tax burden, nor do I think the community would accept a corporate tax cut effectively funded through personal or individual taxation, given our already high reliance on personal income tax.

Ultimately, I believe that any corporate tax changes to encourage investment would need to be funded from within the corporate sector. I encourage the Productivity Commission to consider

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[5] Choderow-Reich, Zidar and Zwick (2024) *Lessons from the biggest business tax cut in US history.*
[6] Corporate Tax Association (2025), AFR Big Policy Pitch: *Executive Director Michelle de Niese calls for 'safe house' to shield tax system from politics and the introduction of a broad-based full-expensing regime*
[7] RBA (2025), *Overview of investment incentives in Australia*

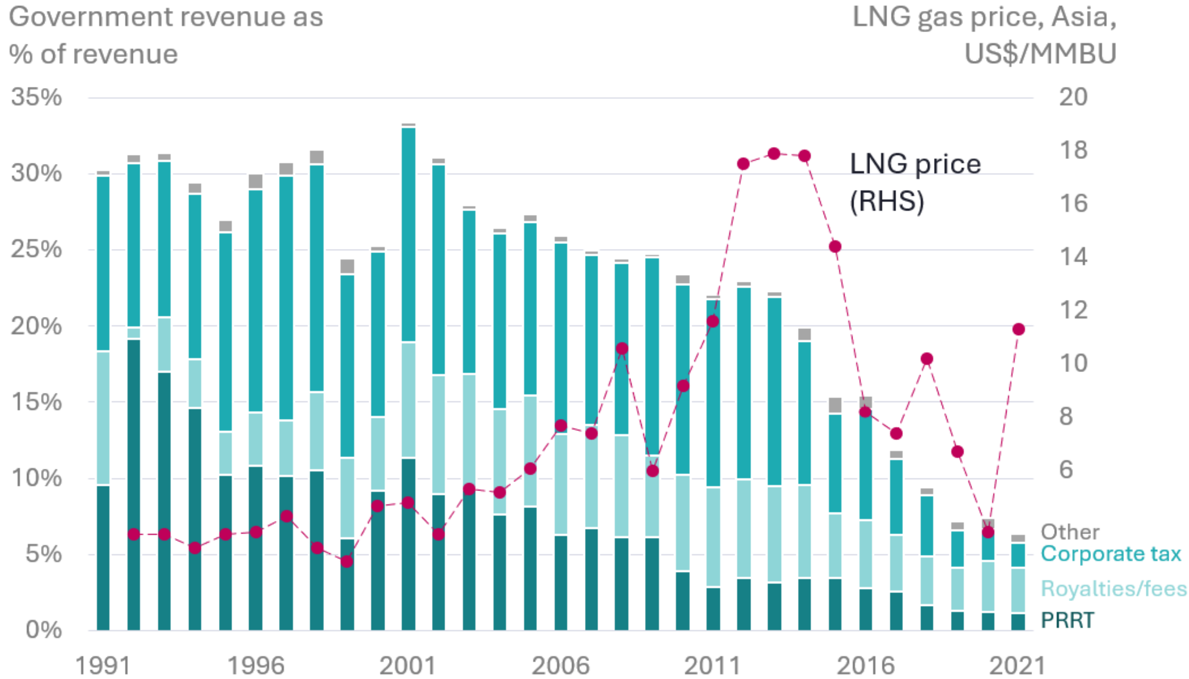
options, such as those discussed below, for any proposed changes to the corporate tax structure.

Reforming Australia's taxation of fossil fuels and resources

Much has changed since Australia last had a debate on mining taxes. Community expectations have shifted and there is a heightened awareness of the return that Australia could and should be receiving for the extraction of our non-renewable resources. Equally there is an awareness that the failure to adequately price the negative externality of carbon emissions is making our net zero transition more costly than it otherwise need be.

Australia's taxation system is failing with regards to oil and gas through the petroleum resource rent tax (PRRT). As my Green Paper highlights, the PRRT has progressively extracted a lower return on the revenues produced on Australia's oil and gas since the scheme commenced in the 1980s (see Figure 2). As the Tax and Transfer Policy Institute point out, the settings of the PRRT were initially designed in the 1980s when Australia was extracting a greater share of oil relative to gas which has lower initial investment costs.[8] Criticisms levelled at the scheme centre around the deductibility of capital expenses and generous uplift factors which when applied to a greater share of gas extraction have resulted in and increasing lower rate of taxation overtime.[9]

Figure 2: Governments now collect a much lower share of revenue paid for Australian oil and gas



Source: Allegra Spender (2024), APPEA oil and gas survey (2024), Australia Institute (2023)

As I argue in my Tax Green paper, in absence of a broad-based carbon price, tax reform on the extraction of fossil fuels would be an efficient means for raising revenue, discouraging emissions and incentivising investment in activities that produce lower carbon emissions. It is particularly appropriate considering the range of government support the sector receives in the investment phase. However, mining taxes should be considered beyond just oil and gas. Australia must maintain a balance of being an attractive location for business investment,

[8] TTPI (2023), *How does the petroleum resource rent tax work and how does it apply?*
[9] TTPI (2023), *How does the petroleum resource rent tax work and how does it apply?*

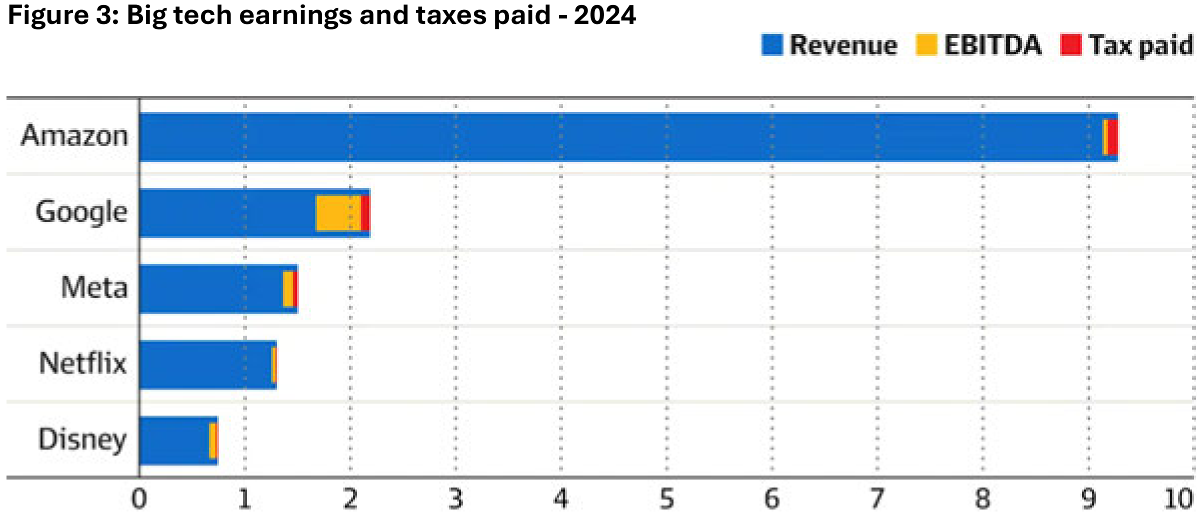
including in the mining sector, as well as generating appropriate returns for our natural resources which, once extracted, do not regenerate. I don't underestimate the complexity of such a proposal, but such a tax must be considered.

A digital services tax

So far, Australia has resisted the global trend to attempt to extract a greater return from digital goods and services sold to domestic consumers. Under various tax treaties, Australia has allowed offshore companies to tax profits made in Australia in the overseas jurisdictions, but with the increasing digitisation of goods and services, multinational companies are increasingly able to distribute products with limited physical presence or activity in a country such as Australia, preferring to return profits in low-tax jurisdictions.[10] There is also an argument for the taxing these companies to account for the negative externalities associated.[11]

Australia does have some mechanisms in place. Since 2021, Australia's news media bargaining code has imposed obligations on technology companies for the use of using the content of Australian news outlets and Australia collects GST on digital goods and services consumed in Australia. However, through the substantial market power of these companies, the news media bargaining code is being actively undermined.

Figure 3: Big tech earnings and taxes paid - 2024



Source: AFR (2025), ASIC

With changes to the economy, especially the development of AI, we need to sure our economy and tax settings robust enough to continue to collect taxes from all companies that have a significant business interest here in Australia. Other parts of the world have introduced various forms of digital services taxes to address this.[12] These taxes are typically levied at a low rate – typically 3-5% – but taken on revenue rather than profit.[13] Depending on the companies included in the scheme, academics Fei Dao and Richard Krever from the University of Sydney estimate a digital service tax could collect taxes on between $15 and $26 billion dollars of annual revenue.[14]

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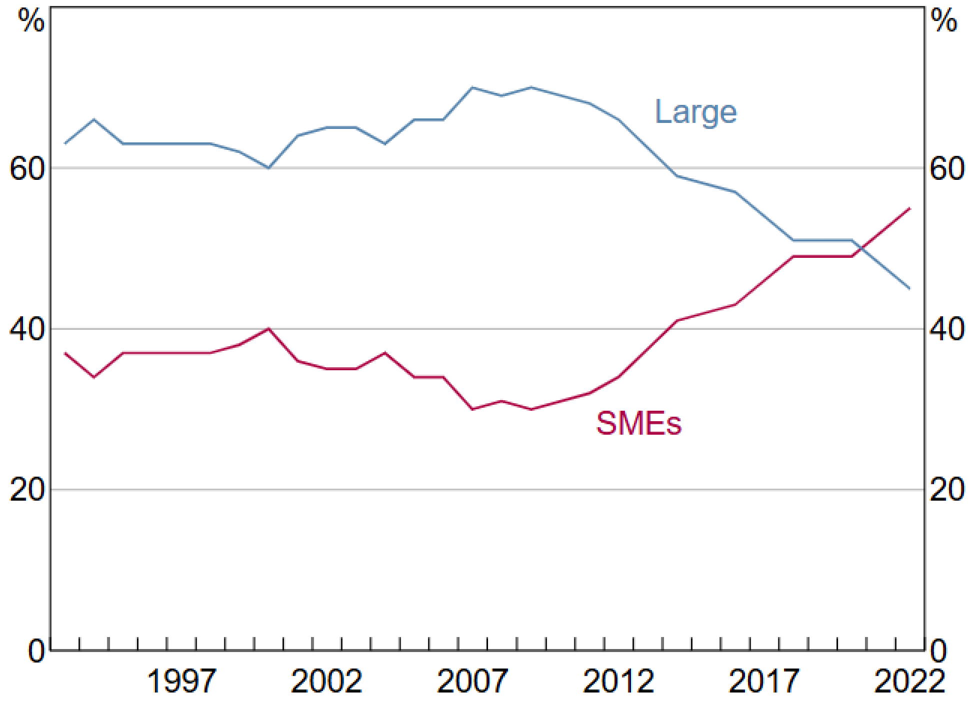
[10] Gao, F. Krever, R. (2025) *Australia could tax tech giants*
[11] Grosjean, P. (2025), *Should we arrest social media CEOs or regulate their platforms?*, UNSW
[12] VATCalc (2025), *Digital Services Taxe global tracker*
[13] VATCalc (2025), *Digital Services Taxe global tracker*
[14] Gao, F. Krever, R. (2025) *Australia could tax tech giants*

Although not included in my Tax Green Paper, consultations did include discussion of some form of digital service tax. Since releasing the paper, a newly elected Trump administration has come out strongly against such taxes, including threats to introduce reciprocal tariffs. In addition, the Trump administration has walked away from negotiations on a global minimum tax agreement.[15] While a digital service tax will increase the likelihood of retaliation from the Trump administration, I think Australia should take a more proactive consideration of our weakening tax base – through a digital service tax, or otherwise – instead of attempting to resolve these issues decades later.

1B: Investment capital for younger, innovative business

If Australia is to meaningfully boost productivity, we need to do more than just encourage investment from existing firms. Australia also needs to be generating new and innovative firms that contribute relatively more to growing Australia's productivity. Research by e61 shows that it is younger firms that are typically more productive and recent RBA data even shows that small-to-medium businesses have overtaken large business and the primary contributors to R&D expenditure (see Figure 4).[16,17]

Figure 4: R&D expenditure by firm size, share of total* (%)



Note: SMEs defined as business with less than 200 employees.
Source: RBA (2025)

Private capital – in particular, venture capital – in Australia has grown significantly in the past decade, more than doubling from from less than $30 billion in 2015 to $65 billion.[18] This has been aided by the introduction of VCLPs and ESVCLPs that allow tax benefits for fund managers. Yet, Australia still has proportionally low rates of investment capital in early-stage investment. Analysis conducted by the Tech Council of Australia shows that, on a per capita

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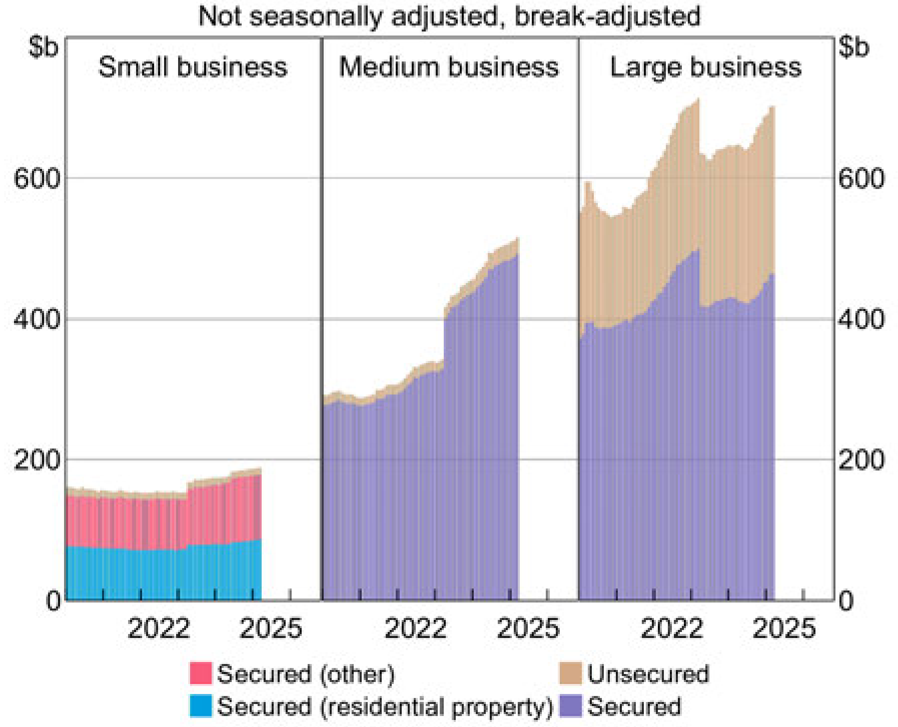
[15] Bunn, D. and Bray, S. (2025) *The latest on the global tax agreement*, Tax Foundation
[16] Andrews, D. and Buckley, J. (2023), *Multi-employer bargaining: A barrier to firm* growth, e61.
[17] Jones, B. (2024) *Financing SME Innovation in Australia – Challenges and Opportunities*, RBA.
[18] Australian Investment Council (2024), *Australian Private Capital: Investing in Long-term success*

basis, Australia has roughly half the rate of the United Kingdom and one-third of the United States.[19]

Strong competition for capital is important to ensure the best ideas are backed. However, in various round tables that I have held with startups and VCs in Wentworth, access to capital is repeatedly mentioned as the biggest hurdle and one of the main drivers for some of our best and brightest heading offshore.

The sources of capital for firms are limited to banks, institutional investors and individual investors, both foreign and international. In Australia, bank lending to small and medium business is limited, with most of the bank lending going to large businesses that is typically secured (see Figure 5).

Figure 5: Lending to business



Note: Changes to business size definitions in April 2023 resulted in some large businesses credit being reclassified as medium business credit and some medium business being reclassified as small business credit.
Source: RBA (2025)

This leaves institutional investment as one of the key areas for young firms to access capital, but this is also becoming more challenging to secure – the proportion of overall investment from superannuation funds in early-stage companies has been halved over the past decade.[20] In conversations and round tables, I have several areas are repeatedly discussed as potentially holding this sector back.

Your Future Your Super and RG97

Your Future Your Super (YFYS) commenced on 1 July 2021 and introduced several measures aimed at protecting members including a performance test, fund comparison tool, stapling

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[19] Tech council of Australia (2024), *The state of Australia's tech ecosystem*
[20] Harris, J. and Chow, E (2024), *The Private Equity Market in Australia*, RBA

requirements and a best interest duty.[21] The annual performance test, in particular, penalised underperforming trustees - relative to a benchmark - by prohibiting new membership in the fund if it fails the test in consecutive years.[22] Since the reforms have been introduced, the number of MySuper products has fallen from 88 in October 2020 to 56 in march 2025 as a number of underperforming funds have either exited or merged with other funds.[23,24]

Greater transparency and the restriction of underperforming funds has undoubtedly had a positive impact for affected consumers in terms of fees. Grattan Institute estimates that funds that have failed or nearly failed the performance test have reduced fees by as much as 20% for the average member.[25] Notwithstanding these benefits, the ongoing impacts of these changes could be having a sub-optimal outcome in terms of the allocation of capital and net returns for consumers. In 2022, a Treasury review of the YFYS scheme found that the performance test likely had impacts on investment decisions, "encouraging short termism and benchmark hugging".[26]

The Review considered several options for reform – including adjusting the lookback period, focussing on net returns and fees, including more metrics of performance (such as the APRA heatmap), changing certain indices and further disaggregating asset classes – but stopped short of recommendations.

Relatedly in 2019, ASIC issued RG 97 which provided guidance how fees and costs are to be disclosed on superannuation and other managed investment products.[27] Industry stakeholders have expressed to me that the focus on gross fees in Product Disclosure Statements as a result of RG 97 has encouraged more passive investment strategies and discouraged private capital investments that attract higher fees.

Individually, I recognise the merits of both schemes, however, also acknowledge the likelihood that these incentives are directing capital away from more productive, yet riskier uses. Not only that, but discouraging more active investment strategies is likely lowering the potential returns on super balances for members. The Australian Investment Council calculates that private equity and venture capital has outperformed ASX indices across 3, 5, 10 and 20-year investment horizons.[28]

I encourage the Productivity Commission to consider options to amending these schemes to address this disincentive without removing consumer protections. This could include greater focus on net fees and longer investment horizons for performance testing.

Scale of superannuation funds

Australia's superannuation pool is now worth a combined $4.2 trillion, with the average fund size surpassing $49 billion of assets under management.[29] In comparison, Australia's venture

[21] Treasury (2023), *Your Future, Your Super Review: Summary of issues*
[22] Treasury (2023), *Your Future, Your Super Review: Summary of issues*
[23] Moloney, J. and Coates, B. (2024) *The superannuation performance test is performing - let's keep it that way*
[24] APRA (2025), *Quarterly Superannuation Industry publication*
[25] Moloney, J. and Coates, B. (2024)
[26] Treasury (2023), *Your Future, Your Super Review: Summary of issues*
[27] ASIC (2021), *RG 97 Disclosing fees and costs in PSDs and periodic statements*
[28] Australian Investment Council (2024)
[29] APRA (2025), *APRA releases superannuation statistics for December 2024*

capital sector has around $17 billion under management, with a median deal size of less than $6 million for a series A funding round.[30,31]

In roundtables I have conducted with superannuation funds, they have indicated that they are committed to investing in venture capital, however, there is an issue of scale. In some cases, it is longer practical to invest in smaller venture funds, with institutional investors consolidating into a small number of larger, established VC funds.[32] According to stakeholders I have spoken to, no superfund has engaged a new VC fund within the last 5 years. While some amount of economies of scale and consolidation is expected, this makes it harder for new funds to break into the market putting a ceiling on growth in the sector as a small number of large funds continue to focus on a small number of 'outliers'.

I encourage the Productivity Commission to investigate and explore issues of scale limiting the potential of Australia's early-stage investment.

The role of bank lending and credit

Australia's prudential regulator (APRA) is tasked with overseeing the financial system and ensuring that it remains stable, efficient and safe. This includes developing and enforcing regulation governing the banks, insurers and the superannuation sector. There is no doubt that sensible prudential regulation to ensure financial stability and security of deposits is important, however, increasingly stakeholders have expressed concerns with me elements of regulatory supervision could be acting as a constraint on growth.

While recent debate has focussed on home lending – for example, a 3 per cent interest rate buffer[33] – consultations have also indicated that prudential standards are resulting in a decline in business lending from banks and a suboptimal focus on short-term assets from superannuation funds.

The Productivity Commission has previously noted that Australian banks have increasingly shifted their credit allocation away from business lending to the mortgage market, falling from around 55% in 1990 to just above 30% in 2020.[34] In this review, the Productivity Commission noted that the role of regulation was at least partly responsible for the shift away from SMEs as a result of "higher capital requirements for SME loans" and "relatively more difficult process for assessing credit worthiness" compared to residential property loans.[35]

Similar criticism has been levelled at superannuation funds due to requirements around liquidity. A 2019 Treasury review of APRA found that the Prudential Regulator was taking an "industry neutral approach", preferring to use the same policies and tools across banks, insurers and superannuation.[36] Stakeholders I have consulted with point to liquidity requirements on superannuation funds preventing long-term investment strategy on what is fundamentally a long-term investment. For example, under regulations, a fund must comply with transfer request to another super product within 3 business days,[37] requiring funds to hold

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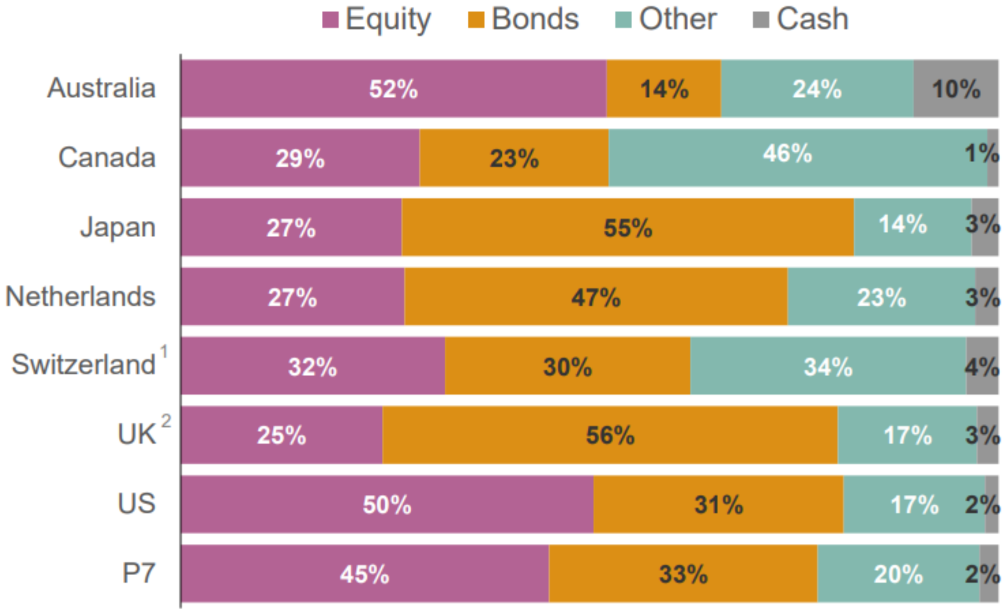
[30] Australian Investment Council (2025), *2025 Australian Private Capital Yearbook*
[31] Cutthrough ventures (2025), *State of Australian Startup Funding 2024*
[32] Tess Bennet (2025), *Big VCs are getting bigger as fundraising pulls our of year long slump*
[33] Eyers, J. (2024), *Lending rules 'locking out' house buyers: ANZ CEO*, AFR
[34] Productivity Commission (2021), *Small business access to finance: The evolving lending market*
[35] Productivity Commission (2021), *Small business access to finance: The evolving lending market*
[36] Treasury (2019), *Australian Prudential Regulation Authority Capability Review*.
[37] ATO (1994), *Superannuation Industry (supervision) Regulation 1994*

a greater proportion of liquid assets. International comparisons show Australia's superannuation sector holds a considerably different share of assets compared to other pension schemes, focussed more on shorter term asset classes including cash and equities (see Figure 6).

Figure 6: Asset allocation in pension funds by country



Thinking Ahead Institute (2025)

I note, however, a 2021 review of superannuation's liquidity requirements during COVID-19 pandemic, conducted by the RBA, seemingly validates the liquidity requirements of superannuation sector.[38] However, this report specifically points to funds ability to meet the requirements of internal switching and a relaxation of superannuation's preservation rules through the early release scheme.[39] Other industry insiders have commented that Australia's unusually high share of short-term assets, in particular cash, is a result of large and frequent contributions rather than risk aversion.

Nonetheless, I would encourage the Productivity Commission to consider whether risk appetite and liquidity requirements enforced upon banks and superannuation is leading to a sub-optimal allocation of Australia's investment pool.

Employee share schemes in Australia

Employee share schemes have for a long time been understood as a tool to improve workforce engagement, retention, and productivity. ESSs can help to align incentives between employees and shareholders and, particularly for startups, they provide an opportunity attract and retain top talent against established competitors in a competitive labour market.[40]

In 2015, the Turnbull Government made significant changes to the ESS system as part of a broader effort to boost productivity and innovation, notably additional concessions for eligible startup companies and postponing the incidence of taxes to a taxing point instead of vestiture.[41]

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[38] RBA (2021), *Financial Stability Review – April 2021*
[39] RBA (2021), *Financial Stability Review – April 2021*
[40] Treasury (2025), *Streamline and improve access to employee share schemes*
[41] The Tax Institute (2015), *Understanding the ESS changes: Five things you need to know*

Since then, ESSs have become a vital part of Australian remuneration structures, yet we still lag international peers like the United Kingdom and United States. A recent survey of global employee share schemes ranked Australia 16th out of 26 in terms of our settings to encourage and facilitate ESSs.[42]

In 2021, the House Committee on Tax and Revenue conducted a report on Australia's ESS system titled *Owning a Share of Your Work: Tax Treatment of Employee Share Schemes*. This report found that Australia's current regime for employee share schemes (ESS) is overly complex, inconsistently applied, and discourages broader participation. particularly among start-ups and small businesses.[43] The report identified multiple regulatory and tax-related disincentives, including the early taxing point triggered on cessation of employment and a burdensome compliance framework that stifles innovation and subsequently made 18 recommendations.

A formal government response to this report was not issued until 2024 with the then Labor Government simply noting each recommendation and suggesting that *"given the passage of time since this report was tabled, a substantive Government response is no longer appropriate"*.[44] The Productivity Commission has an opportunity as part of this current inquiry to action Recommendations 4 and 5 of this report.

Recommendation 4

The Committee recommends that the Productivity Commission investigate how the use of employee ownership trusts can be facilitated and encouraged.

Recommendation 5

The Committee recommends that the Productivity Commission explore the structure of Employee Share Schemes and their related taxation treatment in other countries, and how this could be adapted to the Australian taxation system to support productivity and innovation.

Source: House of Representatives Standing Committee on Tax and Revenue (2021)

Pillar 1B: Reducing the impact of regulation

Governments of all stripes talk of the need to cut red tape and to remove the administrative burden on business, but it is easier said than done. However, there is a relatively simple way to minimise the impact existing regulation has on business by increasing the accountability of agencies and regulators to provide certainty and timeliness.

Government accountability for service delivery

Increasingly I hear from businesses that the service provided by agencies and regulators does not meet expectations or internal standards making it harder to comply with regulations. Regulators, for example, ASIC, set internal performance metrics but repeatedly these fall short. Anecdotally, stakeholders claim reported statistics may still be understated as provisions such

[42] Global Equity (2024), *GEO Global Share Plan Rankings Report 2023-24*
[43] Parliament of Australia (2021), *Owning a share of your work: tax treatment of employee share schemes*
[44] Treasury (2024), *Australian Government response to the House Committee on Tax and Revenue report: Owning a Share of Your Work: Tax Treatment of Employee Share Schemes*

as requests for additional information can be issued last minute, effectively resetting the clock on a response time. Business leaders have, over the past three years, voiced similar concerns across agencies including the ACCC, ATO, FIRB and home affairs[45] (visa processing). State and local Government agencies are also impacted, with the Property Council of Australia reports that the average wait time for building approvals has reached 173 days, with some projects taking as many as 250 days.[46]

Government agencies and regulators lack proper accountability and self-regulation for lengthy delays. I recommend the Productivity Commission explore the cost of delays caused by government to our economy and productivity and put forward recommendations to introduce self-correction.

Sector- and regulator-level approach

Australia's productivity challenge is complex and unique to each sector. The solutions for one industry may not be the same as another. For example, productivity in Australia's housing sector has fallen by 12% in a decade, and the reasons for this extend to the composition of business, the conduct of the CFMEU, and delays within Government (see above). These challenges are unique to those within, say, the care sector. While they may have certain commonalities, many of the low-hanging-fruit that effect the economy more generally have been picked and we need a sector-by-sector approach.

Similarly, the role of departments and regulators is unique. Government's first instinct towards an issue is to regulate, however, regulation is easier to implement than it is to remove and currently there are few 'self-correction' mechanisms in place to scrutinise and remove regulation where appropriate. In consultation with former officials, many have indicated an intention within senior executives to go back and scrutinise guidance, however, this rarely eventuates. In my comments to the Government's inquiry into Economic Dynamism, I suggested introducing executive-level positions within each regulator charged with deregulatory oversight. I would like to see the Productivity Commission consider such an approach in their recommendations to Government.[47]

The Productivity Commission has started this process with their recent report into housing sector productivity that touched on many of the more unique challenges of the sector and introduced specific recommendations.[48] However, I recommend that the Productivity Commission outline a process for further sector- and regulator-level reviews, starting now with the care sector.

Productivity framework for workplace relations

A comprehensive review of Australia's productivity levers is not complete without an assessment of Australia's workplace relations system, which is why I have previously recommended that the Government instruct the Productivity Commission to review Australia's workplace relations system with a focus on innovation and growth.[49] The Productivity

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[45] Dowling, A. Tan, S. (2025), *Australia's skilled migration program needs greater speed and simplicity*, CEDA
[46] Property Council of Australia (2025), *Slow Higher Density Housing Approvals Create Building Bottleneck*
[47] A. Spender (2024), *Better Competition, Better Prices: Additional Comments From Ms Allegra Spender MP*
[48] Productivity Commission (2025), *Housing construction productivity: Can we fix it?*
[49] A. Spender (2024)

Commissioner has recently stated that we should give the recent IR changes time to take effect before attempting to assess them.[50] While I see merit in this, I do not think this warrants precluding workplace relations entirely from the Productivity Commission's review.

I note that the Productivity Commission's 5-year inquiry, *Advancing Prosperity*, included a number of recommendations around Australia's industrial relations system, particularly with regards to on the simplification of awards and enterprise agreements, and occupational licensing.[51] While the Government is giving some positive signals on certain aspects, such as occupational licencing through the National Productivity Fund,[52] the shape of the current parliament makes it unlikely that there will be appetite for significant industrial relations reform.

However, one simple yet impactful recommendation from the Productivity Commission's review that the Government could immediately implement is Recommendation 7.13 to engrain productivity as an objective of Australia's workplace system. While I think this is a modest change, it is a commonsense recommendation that could shield Australia's industrial relations system from future changes that work against the Government's productivity agenda. I therefore recommend the Productivity Commission to double-down on their advice to incorporate productivity in the Fair Work Act 2009.

Allegra Spender MP

[50] ABC (2025), *Tackling Australia's productivity problem*, 7:30 Report, 11 June.
[51] Productivity Commission (2023), *5-year Productivity Inquiry: Advancing Prosperity*
[52] Treasury (2025), *National licensing for electrical trades*