

National Productivity Pact

July 2013

On 11 July 2013 at a speech to the National Press Club of Australia, Prime Minister Kevin Rudd announced a new national competitiveness agenda designed to smooth Australia's economic transition out of the resources boom.

In order to deliver the new competitiveness agenda, the Prime Minister announced a productivity pact with the business community and trade unions which focuses on seven broad areas of necessary policy: rising energy prices, unintended rigidities in the labour market, business productivity, red tape, education, skills and training, infrastructure and small business.

Over the next week, key cabinet ministers will continue meeting with the Business Council of Australia (BCA) and business groups such as the Council of Small Business of Australia (COSBOA), and with the Australian Council of Trade Unions (ACTU) to develop agendas of work in these areas.

The Prime Minister's speech can be accessed [here](#).

The Press Release on the newly announced productivity pact can be accessed [here](#).

Agenda items include:

1. Domestic electricity price regulation in Australia

The Government will examine the current system of national electricity regulation, the rates of return for publicly-owned transmission and distribution utilities, and the role of various state and territory governments. The Government will also look at potential reforms to improve the supply of competitively priced gas for Australian businesses and households.

2. Unintended rigidities arising in the labour market

The Government will seek to ameliorate unintended rigidities in the labour market using the existing *Fair Work Act*. Particular focus will be placed on large greenfields projects which represent significant levels of investment. The Prime Minister has consulted with the BCA, the ACTU and Minister Shorten to seek greater cooperation on industrial matters.

3. Business productivity

The Government is also calling on business to drive productivity gains and to sharpen its engagement with Asia, in particular Indonesia. The Prime Minister referenced recent BCA reports highlighting



problems in Australian business productivity, competent project management as well as the most effective use of capital by management.

4. Government regulation of business

The Government will be looking at the multiple and conflicting environmental assessment requirements for state and federal governments. It is seeking to establish a single integrated assessment system which would integrate the assessment procedures and reports at present separately mandated by the Commonwealth and the states. The Prime Minister has commenced discussions with NSW Premier Barry O'Farrell on this issue.

5. Education, skills and training

The Prime Minister signaled a willingness to invest more in vocational education and training, particularly given the recent withdrawal of effort by many of the states.

6. Infrastructure

The Government will be looking to embrace new forms of infrastructure financing. This follows on from the work undertaken by Infrastructure Australia including the National Infrastructure Priority List. See the Hawker Britton Occasional Paper on the updated National Infrastructure Priority List for more information, available [here](#).

7. Small Business

The Government will work with the Council of Small Business of Australia to assist small business, particularly with respect to access to capital and effective take up of the NBN.