

2025 Productivity Commission inquiries – building a skilled and adaptable workforce

Agenda Item 8

Purpose or problem statement	JSA is seeking the Ministerial Advisory Board's advice on how it could best engage with the 5 productivity growth inquiries that the Treasurer has asked the Productivity Commission to undertake in 2025, with a focus on the inquiry to enhance productivity through building a skilled and adaptable workforce.	
Presenter	David Turvey, Executive Director, JSA	
Recommendations	It is recommended that the Board:	
	1	note the details of the inquiries that the Productivity Commission has been asked to undertake, particularly the inquiry to enhance productivity through building a skilled and adaptable workforce.
	2	discuss JSA's engagement opportunities to support these inquiries
	4	endorse the communiqué for this item
Attachments	Nil	

Background

- On 13 December 2024, the Productivity Commission (PC) was commissioned by the Treasurer to: conduct five inquiries to identify and report on priority reforms in each of the areas under the Government's five pillar productivity growth agenda ([New PC inquiries on the five pillars of productivity | Treasury Ministers](#)). Specifically, these are priority reforms which enhance productivity through:
 - Creating a more dynamic and resilient economy
 - Building a skilled and adaptable workforce
 - Harnessing data and digital technology
 - Delivering quality care more efficiently
 - Investing in cheaper, cleaner energy and the net zero transformation.
- The Productivity Commission has released their Terms of Reference ([Terms of reference - Creating a dynamic and resilient economy - Productivity Commission](#)) for the inquiries and an initial timeline for consultation. The call for submission papers is expected between February and March 2025.
- In undertaking these five inquiries, the PC have been asked to:
 - Have regard to other current and recent reviews of relevance to Australia's productivity performance including the Treasury Competition Taskforce, the National Competition Review and the House Economics Committee inquiry into promoting economic dynamism, competition and business formation; and the objectives and priorities outlined

in the Intergenerational Report, the Employment White Paper, the Economic and Fiscal Strategy, the Measuring What Matters statement, and the Government's legislated emissions reduction targets.

- b. Engage widely and undertake appropriate public consultation processes, including inviting public submissions and engaging actively with Commonwealth, and state and territory governments.
- c. Identify prospective areas for reform in the coming years, recognising the findings of recent reviews and considering Government reforms and reform directions.
- d. Clearly convey the importance of the reform opportunities identified, including quantitative analysis of the measurable benefits of the priority reforms where possible.
 - i. This could include the long-run economic impacts on GDP and other measures of economic progress and national prosperity, the benefits accruing to Australian households including distributional impacts where possible, or other outcomes such as improved quality of services or living standards.
 - ii. This analysis should be presented in a way which acknowledges and manages the measurement challenges impacting some important reform areas.
- e. Publish an interim report for each inquiry in the middle of 2025 that includes preliminary actionable recommendations for productivity-enhancing reforms under the relevant pillar.
- f. Provide to Government by December 2025 final reports that should include advice on reform implementation, including implementation feasibility and risks.

4. JSA anticipates making significant contributions to the five inquiries.

- a. A broad range of JSA's work is expected to be highly relevant to the 'Building a skilled and adaptable workforce' inquiry. This inquiry is expected to investigate how we can build a more skilled and adaptable workforce, including through:
 - i. support for Australians to engage in work and learning throughout their life;
 - ii. making sure our education system (from schools to skills and higher education) is producing productive, highly capable graduates; and
 - iii. enabling employers to access and use the best talent locally and internationally.
- b. JSA's capacity study on the impacts of generative AI is expected to be relevant to the 'Harnessing data and digital technology' inquiry.
- c. JSA's previously published Early Childhood Education and Care and Clean Energy capacity studies are expected to be highly relevant to the 'Delivering quality care more efficiently' and 'Investing in cheaper, cleaner energy and the net zero transformation' inquiries respectively.

5. The JSA Commissioner and Executive Director had an initial meeting with the lead Commissioner for the workforce inquiry in late 2024. The discussion largely focused on defining and measuring skills shortages and the policy recommendations outlined in JSA's 2024 Jobs and Skills Report, *Better Together*.

Discussion

6. Noting the opportunity for JSA to make significant contributions across a number of these inquiries, how do we best engage with the Productivity Commission to share and promote JSA intelligence and impact?

Proposed communiqué

The Advisory Board discussed the Productivity Commission's 2025 inquiries in each of the areas under the Government's five pillar productivity growth agenda and provided views on how to engage with these inquiries to maximise JSA's impact.