

Subject: LMM 22/10/2019 - *Kickstarting the Productivity Conversation* submission

MOTION

That City of Newcastle:

1. Notes that the NSW Productivity Commissioner has released a Discussion Paper titled *Kickstarting the productivity conversation*, the first in a series of papers to shape the productivity reform agenda for New South Wales;
2. Notes that Greater Newcastle remains the economic engine room of the New South Wales economy, contributing over \$32 billion to the NSW economy, ranking above Tasmania, the Northern Territory and the Australian Capital Territory in terms of economic output;
3. Prepares a submission to the NSW Productivity Commissioner, providing City of Newcastle's feedback about how the NSW Government can best support continued growth in living standards for all Novocastrians, with specific reference to the *Greater Newcastle Metropolitan Plan 2036* noting that an opportunity exists for legislative reform and support that could expedite the implementation of the Plan.

BACKGROUND:

The NSW Productivity Commissioner has released a Discussion Paper titled *Kickstarting the productivity conversation*, the first in a series of papers to shape the productivity reform agenda for New South Wales.

The Discussion Paper aims to commence a conversation about how the NSW Government can best support continued growth in living standards in the years ahead, recognising that higher productivity growth is key to ensuring this.

The Discussion Paper identifies six priority areas with potential to boost productivity in New South Wales:

1. Building human capital for a modern and evolving economy
2. Reliable, sustainable and productive use of our water and energy
3. Smart ways to get more from our infrastructure
4. Modernising our tax system to help our economy grow
5. Planning for the housing we want and the jobs we need, and
6. Forward looking regulation to support competition and innovation.

MEDIA RELEASE: NSW KICKSTARTS PRODUCTIVITY CONVERSATION

The NSW Productivity Commission has taken an important step in shaping the productivity reform agenda for NSW with the release today of an inaugural discussion paper titled *Kickstarting the Productivity Conversation*.

NSW Productivity Commissioner, Peter Achterstraat AM said the discussion paper identifies key areas that may benefit from reform and help ensure NSW continues to enjoy prosperity for future generations.

"To secure long-term prosperity, productivity growth - working smarter not harder - is one of the most reliable ways to pick up the slack and deliver long-term improvements in living standards," Mr Achterstraat said. "

The discussion paper aims to kick-start a conversation about how the NSW Government can best support continued growth in living standards in the years ahead."

New South Wales has long been the economic engine room for the nation and strong economic management has delivered high living standards for the State's citizens. In recent times, economic headwinds have meant that traditional drivers of growth have slowed, and productivity growth has stalled.

Mr Achterstraat said the State also faces future challenges such as technological disruption, environmental change and an ageing population. T

he four core aims of the Productivity Commission are:

- Making it easier to do business
- Lowering the cost of living
- Making housing more affordable
- Making NSW the easiest state to move to

With these aims in mind, the Kickstarting the Productivity Conversation paper identifies six priority areas with potential to boost productivity in New South Wales:

1. Building human capital for a modern and evolving economy
2. Reliable, sustainable and productive use of our water and energy
3. Smart ways to get more from our infrastructure
4. Modernising our tax system to help our economy grow
5. Planning for the housing we want and the jobs we need, and
6. Forward looking regulation to support competition and innovation.
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The Commission welcomes feedback from the wider community and stakeholders on whether the right priorities have been identified and what policy options should be considered.

This feedback will inform the development of a Productivity Green Paper, which will outline policy options for consultation. Following a further round of feedback, these options will be refined into clear recommendations for consideration in the Productivity White Paper.

NSW Treasurer, Dominic Perrottet said he was looking forward to seeing the feedback that will be received from Mr Achtersraat's discussion paper.

"This is a great opportunity for everyone to have a say in shaping our future. Peter Achterstraat has been charged with raising issues and ideas which are important for all of us to discuss and then weigh up whether they will benefit NSW," he said.

"The challenges we face are not unique to NSW or Australia but we want to lead by example. A more productive NSW will attract talent from other states and secure the future for all citizens."

For more information and to make submissions visit: productivity.nsw.gov.au

References:

To access the NSW Productivity Commission: *Kickstarting the Productivity Conversation* report, visit the website: http://productivity.nsw.gov.au/sites/default/files/2019-10/0709-04_Productivity%20paper_Full%20version-Final-R.pdf