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Australia Weighs Economic Reform Measures

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Australia is considering major economic reforms as government, business, and union leaders prepare for a national roundtable this week. The discussions, led by Treasurer Jim Chalmers, aim to address declining productivity and strengthen the nation's finances.

The Productivity Commission recently released its fifth and final report, offering recommendations to improve living standards through economic growth and efficiency. The report highlights five priority areas, including boosting productivity, encouraging investment, improving workforce skills, and enhancing care services.

“Improving productivity must be guided with a clear purpose,” said Andrew Hudson, chief executive of the Centre for Policy Development. “The goal should be ensuring that the benefits of economic growth are widely shared, helping address cost-of-living pressures and housing challenges.”

Among the proposals, the commission suggests reducing Australia’s corporate tax rate to 20 percent. Officials believe this would attract foreign investment and encourage domestic business growth after a decade of slow investment. Economists caution that any changes should be carefully designed to avoid placing undue burden on workers.

The report also focuses on modernizing sectors that impact productivity directly. The care economy, which includes early childhood education and aged care, employed roughly 12 percent of the workforce in 2022/2023 while contributing 8 percent of the nation’s gross domestic product. The commission highlighted opportunities for efficiency gains through technology, such as using automation for routine tasks and digital tools to reduce administrative reporting, without compromising the quality of services.

Education and workforce development are also central to the recommendations. The commission encourages improvements to secondary and post-secondary education to ensure foundational skills are available for new occupations and upskilling initiatives. Equal access to technology in schools is seen as essential to support workforce readiness.

The report further recommends streamlining reporting requirements and reducing administrative burdens. These steps, combined with investment-friendly tax reforms, aim to create a more resilient and productive economy.

Treasurer Chalmers and the roundtable participants are expected to weigh these proposals carefully. The government has indicated that reforms will focus on practical measures to improve economic performance and support businesses and workers.

The upcoming discussions represent an effort to align national policy with long-term economic goals, balancing investment, workforce development, and operational efficiency. While the Productivity Commission’s proposals are ambitious, officials stress that measured implementation will be necessary to ensure sustainable improvements.

Australia’s economic leaders hope the roundtable will set the stage for reforms that enhance productivity, create opportunities for workers, and strengthen the nation’s financial

foundation, ultimately supporting broader prosperity.