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## Productivity Surge Could Boost Worker Incomes by \$14,000

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A new report highlights that reforming company taxes, easing career transitions, and embracing technology could boost Australian workers' incomes by \$14,000 within a decade. This article explores the Productivity Commission's findings, critiques the Australian Labor Party's (ALP) economic policies, and underscores the urgency of prioritizing productivity to secure prosperity, drawing on recent analyses.

The interim Productivity Commission report, released on July 24, 2025, identifies stagnant productivity as a barrier to economic growth, estimating that a sustained boost could

increase average worker earnings by \$14,000 by 2035, as reported by The West Australian. Key recommendations include streamlining company tax systems to incentivize investment, reducing barriers to upskilling, and accelerating technology adoption. Top economist Alison Pennington told The Canberra Times, “Poor policy decisions have held Australia back,” pointing to high business costs and regulatory burdens stifling innovation. The report emphasizes that industries like manufacturing could thrive with tax reforms, echoing a 2023 Senate inquiry noting a 1.5% annual productivity growth gap since the 2000s.

Critics argue the ALP’s policies exacerbate this stagnation. The government’s focus on short-term relief, like cost-of-living subsidies, fails to address structural issues, with Shadow Treasurer Angus Taylor warning on Sky News, “Labor’s tax hikes and red tape choke business investment.” The report advocates for flexible labor markets to enable Australians to reskill or switch roles, particularly as automation reshapes jobs. A 2025 World Economic Forum study projects 59% of global workers need reskilling by 2030, yet the ALP’s training initiatives lack scale, per posts on X like @DefenceWatchAU. Technology adoption, such as artificial intelligence (AI) and Internet of Things (IoT) systems, could drive efficiency, but Australia lags, with only 20% of firms fully integrating AI, per a 2025 McKinsey report.

The Productivity Commission urges bold reforms to unlock capital and foster a culture of innovation, warning that without action, Australia risks falling behind global competitors. While the ALP touts its Future Made in Australia plan, critics argue it prioritizes rhetoric over results, leaving workers and businesses burdened by high taxes and slow technology uptake. Embracing these reforms could deliver prosperity, but only if the government prioritizes practical outcomes over political posturing.