

## Brief comments received

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| 1. | The NSW Government has recently published an Industry Framework statement that is very relevant to this inquiry. The document can be downloaded at <a href="https://www.investment.nsw.gov.au/living-working-and-business/nsw-industry-development-framework/">https://www.investment.nsw.gov.au/living-working-and-business/nsw-industry-development-framework/</a>  |
| 2. | The Community and Public Sector Union recommends the Productivity Commission avoid a narrow focus on public sector productivity. The inquiry should examine the facilitative role that the public sector can play in improving productivity across the economy and the necessity to invest in the public sector workforce, particularly the Australian Public Service (APS), to achieve this. As a knowledge-based service, strategic government investment in staff and associated infrastructure such as ICT is key to generating productivity improvements. The better use its institutional memory and the experience and knowledge of its staff, accumulated over decades, will benefit all Australians. Greater investment in the APS will deliver a productivity dividend across the wider economy, for example: • A properly staffed Services Australia will be better able to support people in times of need and help them get back on their feet faster. • An Australian Taxation Office with the permanent staffing levels it needs can better help small and medium enterprises navigate our taxation system and meet their obligations in a quick, efficient manner. • A well-funded Australian Bureau of Statistics can provide more key economic data releases that can result in better business decisions that will grow our economy. The detrimental impact of arbitrary and blunt instruments such as wages caps and staffing caps that seek to reduce spending on public sector staff creates should be explored. It creates perverse incentives that undermine innovation and productivity. It results in the misallocation of resources, encouraging the use of labour hire and consultancies when permanent staff are more appropriate, undermining APS capability by making it harder to build corporate knowledge and an experienced workforce. Prioritising attraction and retention are important to getting the most out of the public sector workforce to maximise productivity gains. That means competitive wages and conditions, including flexible working arrangements, to attract the best and brightest, and more permanency to build corporate knowledge and create the certainty needed to invest in greater training. Staff also need to be supported with the right tools to do their jobs and the effect of poor ICT should be examined. A CPSU survey of 6,000 staff found that half (49.1%) disagree or strongly disagree their agency provides quality systems and tools that they need to do their job and less than a third (31.3%) agree or strongly agree their agency has invested in up-to-date technology for staff and clients. Substandard ICT was also identified as a problem by the Independent Review of the APS (APS Review), which found that the APS lags behind the private sector when it comes to ICT investment, spending 12% more on running old systems than the private sector. The APS Review estimated that at least \$1 billion of investment would be needed to overcome the gap with the private sector. |
| 3. | Smart Cities 2.0: Creating city DAO pilots On 7 April 2022 the RMIT Digital CBD research team released a report proposing data DAO pilots for Melbourne. In short, for ten years we have spoken about smart cities as public-private partnerships (PPP). Say between Cisco or IBM and the city of Melbourne. Today DAOs can offer non-hierarchical data governance models. The goals of our report are tangible. We noted that alongside a decline in foot traffic in CBDs and an increase in remote work, there has been the challenge for small businesses in forecasting. For example, if Deloitte's audit team only works on a Thursday - how will the Bahn Mi sandwich shop in the bottom of their office building know how much stock to carry? These economic shocks are all interrelated. Alongside the problem of lowered foot traffic came less   |

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|    | <p>customers, and rent reductions. The broader economic shocks of landlord-tenant rent re-negotiations often lead to associated cash flow and working capital problems for both parties (due to reduced rents), and ultimately empty storefronts, empty buildings and a redistribution of capital. The Solution: a proposed Pilot. This report suggested a staged regenerative strategy targeting specific regions and precincts such as Melbourne's Docklands, as a pilot aimed at helping the businesses that need data to survive and thrive. This will encourage office workers and floating CBD populations to once again return to the CBD. In Stage 1, this report proposes a pilot for CBD people flow and other data collections. The goal is to assist SMEs with their economic forecasting and inventory. This pilot will help forecast working capital for businesses. In Stage 2, that data will then be utilised by the Decentralised Autonomous Organisation (DAO). Retail/residential/commercial tenants could then take responsibility for their local environment: by creating a pilot Docklands DAO utilising crucial pooled data to optimise resource allocation, increase efficiency, and create opportunities for strategic placemaking. We proposed creating a DAO as a tool for: 1. Targeted economic stimulus 2. Community governance 3. Community engagement. The DAO is a non-hierarchical organisation designed to rejuvenate a pilot precinct. It would be a DAO "data trust" designed to benefit all stakeholders. The DAO is the gatekeeper of all collected data that is to be used for the benefit of the DAO members &amp; stakeholders. The concept of a DAO and the proposed operation of the pilot DAO is explained in depth in the report. In summary, DAO data trusts make data governance by "Smart Cities 2.0" a viable policy option. The full report can be found here: <a href="https://www.rmit.edu.au/news/media-releases-and-expert-comments/2022/mar/revitalising-melbourne-cbd">https://www.rmit.edu.au/news/media-releases-and-expert-comments/2022/mar/revitalising-melbourne-cbd</a></p>   |
| 4. | <p>Next week, there's the jobs and skills summit. This week, I've heard commentators raise the importance of increasing women's participation in the workforce, and generally, the need to fill shortages and manage talent. I should have a couple, or even a few, decades left to contribute, pay tax, and meet my potential. However, in order to re-join the workforce, I'm "up against" whether I can do a confident "sell job" in the cover letter/responses to the criteria/pitch, can explain the (few years now) gap on my CV, and can explain my reluctance to include referees and an uncertainty of who to list. Thinking of these things often throws me into a bit of a spin, too. I feel like, and feel like it'll straight away look like, it's me who's "a problem" or "the problem". Which is horrible. On top of what's already occurred. How are we going to "reactivate" the qualified, skilled, experienced, high-quality, high-character workers, who, not from having "done something bad", exited the workforce, but that was due to harassment, bullying, mobbing, assault, and cover-ups? Who's wanting to do that? How are they going about it? Do employers, panels and chairs need to be alerted to the reasons why an application looks different? I know when she spots something of interest, the applicant's trying.</p>   |
| 5. | <p>I am writing to express strong disagreement with recommended direction 3.2, in relation to "a policy requiring healthcare providers to share data on patient services and outcomes with and through government as a condition of receiving government funding". First, the notion of using the Medicare funding of health service providers as a bargaining chip to extract data about patients is appalling, and ignores the purpose for which that funding exists, which is to deliver healthcare. I hate to imagine what would happen to the quality and accessibility of healthcare in Australia if financial levers were to be applied not in relation to delivering quality healthcare but to "achieve productivity benefits". Second, this proposed policy rests on an assumption that health service providers' willingness to share data is the main barrier to data sharing taking place. There are so many other factors at play, including inconsistent data structures and technologies, a lack of data standards, a general lack of digital and privacy / de-identification literacy, the lack of funding for universities and others conducting research, long lead times for research projects, time wasted on duplicated effort to source software and staff, and a failure of government to fund the establishment of a small number of trusted research environments. The Goldacre review in the UK provides useful detail on the problems and potential solutions; see <a href="https://www.goldacrereview.org/">https://www.goldacrereview.org/</a>. Third, reference to the MyHealthRecord suggests a misunderstanding about the structure and utility of that data. It is better conceived of as an indexing system rather than as a narrative account of one person's health. The limited utility extracted from that system to date is also further evidence that financial incentives for GPs is not a solution to improve technology use or data utility. Finally, data sharing in a way which respects and protects patient privacy is not easy, but it is possible. The Lumos project in NSW for example is doing innovative work in a privacy-protective manner. (Declaration: I conducted the Privacy Impact Assessment for the Lumos program in 2020.) Your report refers to the Lumos project but then, simply because it is not national, disregards any learnings that might be drawn from it and applied nationally. I strongly recommend that instead of using financial levers to try and corral health</p> |

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|     | service providers into doing some unspecified activity to "achieve productivity benefits" by "deriving more value" from the data they hold about their patients, that the Australian government should spend its resources supporting health service provider to deliver healthcare, and separately support universities and research institutions including by funding secure data enclaves and developing nationally consistent data standards.  |
| 6.  | Impressive report thank you. Would love to see more discussion on influencing the management and leadership of data via chief data officer roles. There is a lot of dialogue around the benefits and uses of data and the infrastructure environment that it resides in for storage and access. But seeing initiatives to encourage and influence businesses and organisations to put people in charge of data management and empowered to focus on data integrity would contribute significant value I would imagine.   |
| 7.  | "General government spending amounts to ... over 40 per cent of GDP" Australian innovation is starved because managers play safe and buy from big overseas companies - particularly software purchases. If a hospital is short of money, nobody points out that they might be paying two orders of magnitude more for their imported software than they could for locally developed solutions. We need to diffuse AUSTRALIAN innovation rather than overseas products. Instead of "importing ideas" we should be devising rewards and penalties that enable Australian ideas to be exploited in Australian government and industry.  |
| 8.  | Public schools funding increases are barely inflation. Private schools are three times inflation. The productivity commission must acknowledge the additional funding to Catholic & Independent private schools is not improving educational outcomes for Australian students.   |
| 9.  | I have just listened to Dr Robson speaking on ABC Radio about increasing school hours. I felt depressed just hearing about it. Please let young people have some down time. They have precious little as it is. Teachers would leave in even larger droves. Some parents would find more exhausted kids returning at the end of day. Horrible idea.  |
| 10. | I am very pleased the Productivity Commission is carrying out this extensive Inquiry. One aspect of productivity that I cannot find discussed in the issues papers to date (recognising that I may have not looked hard enough!), is the relationship between productivity on the one hand and profits on the other. It is, I think, possible to argue that the level and distribution of profits (ie between owners/shareholders, the capital needs of the business, executives, and workers) creates a dynamic that can enhance or impede innovation and effort and therefore productivity growth (especially labour productivity but also total factor productivity). I would welcome the Commission addressing this issue directly, rather than treating (as seems to be the case at the moment) productivity and profits as unrelated factors.  |
| 11. | I am immediately disillusioned and disappointed with the interim report. On 2 levels. Firstly you cannot possibly report on Skills productivity unless you focus and report on the most critical relationship in skills development and that is - The employer and worker. For hundreds of years It is the employer sector responding to competitive variables such changes in consumer demand that drives skills productivity. Secondly in my 3 decades as a VET provider I have witnessed the growth of a publicly funded monolith called the VET sector 'limp along, vulnerable & disabled'. That was originally re-positioned by Hawke Keating to respond to employer calls for more flexibility in the TAFE 'bricks & mortar' institutional model at the time. And a public will to reverse the fact that AUS had one of the lowest rates of post-compulsory education qualification attainment rates in the OECD. However unfortunately what tends to happen with a 'trough of public funding and an ambush of the agenda' every academic, institutional and self-interested entity stuck their nose into 'the trough' where we now arrive at the situation where Skills development has been mostly removed from the influence of most critical employer-worker relationship and has become a self-serving monolith with very little impact on improving skills productivity. No wonder your key indicators are declining. And of course with self-interest at its core, Skill development in AUS has progressively become a political football over the last 3 decades highly dependant on 'what political team you barrack for'. Sorry for the cynicism but I really think you need to start with an honest, independent appraisal to see where skills development has gone horribly wrong before you can postulate about possible solutions. |

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| 12. | Your Interim report 6 is silent on a weakness of the labour market - the restraint of trade clauses many employers place in staff employment contracts, seeking to bar them from working for similar employers for a certain time in a certain locality. Although of dubious legality - and many are challenged - employers know most employees neither have the resources nor wherewithal to contest. This has a chilling effect on labour mobility and discourages competition, two productivity-enhancing forces. These clauses should be made illegal.  |
| 13. | For the last 20 years, with my students and some colleagues, I have researched engineering practices in Australia and South Asia. My motivation stemmed from observations on the stark differences in engineering practices between Australia and South Asia, and the impact of these engineering practices on the cost of essential engineered services such as water and energy supplies. For example, the cost of safe drinking water in South Asia is typically 15 – 50 times the cost in Australia, expressed in equivalent currency terms per thousand litres. All safe water has to be carried in South Asia because nearly all pipe networks have biologically hazardous contaminants. In the case of water carried by women and children I used the shadow-priced cost of unpaid labour to assess the cost. Electrical energy, at the point at which useful work is performed, is typically 2 – 5 times as expensive. These differences have wide direct and indirect societal and economic impacts, helping to explain large productivity differences between Australia and South Asia. The results of my research are available in publications and books: <a href="https://www.jamesptrevelyan.com/books/">https://www.jamesptrevelyan.com/books/</a> . My blog at the same site contains articles on productivity and related issues. I helped to develop new insights on how engineering contributes to productivity and economic value at macro and micro levels. I summarised these insights for staff at Engineers Australia (EA) and helped draft the opening paragraphs of the recent EA submission. What the EA submission does not say is that engineers generally have limited understanding on how their work generates economic value and improves productivity. While notions of economy were at the heart of definitions of engineering in the 1950s, concerns for economy have faded with time. I think there is considerable potential to strengthen understanding of economic benefits among engineers, both practicing and novice engineers emerging from universities. Engineers are key actors in productivity because they deliver nearly all the artefacts that make people more productive by requiring less effort, time, materials, energy, and environmental disturbances, with less health risks. Of course, the provision of these artefacts requires people to make effective use of them, and engineers can do much to improve utilization. Therefore, I think that a particular focus on improving knowledge among engineers on understanding the economic and productivity benefits that accrue from their work might be worthwhile. I am happy to provide further advice if needed. Two relevant publications: Trevelyan, J. P., & Williams, B. (2018). Identifying Value in the Engineering Enterprise. In S. H. Christensen, B. Delahousse, C. Didier, M. Meganck, & M. Murphy (Eds.), <i>The Engineering-Business Nexus: Symbiosis, Tension, and Co-Evolution</i> (pp. 281-314). London: Springer Science+Business Media B.V. Trevelyan, J. P., & Williams, B. (2018). Value creation in the engineering enterprise: an educational |
| 14. | I am making this brief submission on the basis of my company's experience with internal freight transport in Australia, the USA the EU. We design, manufacture, distribute and sell small portable air conditioners and related products, described at <a href="https://www.coolzy.com/au/">https://www.coolzy.com/au/</a> . We store our products in warehouses located near our main markets. In Australia we store products in warehouses in Brisbane, Sydney, Melbourne and Perth. Our EU warehouse is near Rotterdam, and our USA warehouse is at Salt Lake City, Utah. The cost to send one air conditioner (weight 16 – 18 kg, 31 x 41 x 61 cm) from any of our warehouses in Australia to customers in the same city is approximately AUD 60. The cost to send one air conditioner from our Netherlands warehouse to anywhere in the EU is AUD 28, less than half the cost for capital city deliveries in Australia. The cost to send one air conditioner from our Utah warehouse to anywhere in the USA is AUD 35, a little over half the cost in Australia. Before the recent large increases in shipping rates, the cost to move a container of our products from the ship to our Brisbane or Perth warehouses was only slightly less than the cost to transport the container from our China factories to the respective ports. This experience suggests that there is much to be gained by productivity improvements in our transport industry.  |
| 15. | The Pharmacy Guild of Australia (the Guild) welcomes the opportunity to provide a brief comment regarding Interim Report 2. 1) The Guild believes that any future Government-led policy and resulting change program must be thoroughly assessed as to its impact upon all key stakeholders, including community pharmacies. A 'program   |

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|     | <p>'impact assessment' should always be a priority for government and conducted prior to any major change to a government policy and/or program. For example, the unprecedented COVID-19 pandemic required extraordinary measures to be taken, including the need to fast-track programs of work such as electronic prescribing. This 'fast-track' approach, whilst needed and generally embraced by most primary healthcare professionals and their businesses, should not be the 'norm'. Governments must always exercise due diligence in scoping and addressing the impacts of any change upon that program's key participants and stakeholders. Unfortunately, this was not undertaken prior to the fast-track rollout of electronic prescribing resulting in community pharmacies continuing to be under significant pressure in bearing the costs and inefficiencies of this Government-imposed change without being able to realise any real tangible benefits to their business' efficiencies and digital health capabilities.</p> <p>Furthermore, the 'data and digital dividend' is not being realised by the vast majority of community pharmacies and this needs to be addressed, otherwise the goodwill that these 6,000 community pharmacy businesses consistently demonstrate every day in servicing the healthcare needs of patients across Australia on behalf of government, will continue to be jeopardised.</p> <p>2) All community pharmacies must have continuous and uninterrupted access is essential digital and telecommunications infrastructure to ensure all Australian patients have access to their essential medicines. The critical role the community pharmacy network plays in the health system needs to be recognised in the context of having access to, and use of, essential digital health infrastructure., especially in rural and remote locations where the community pharmacy may be the only health professional.</p> <p>About the Pharmacy Guild of Australia: The Guild is community pharmacy's peak organisation, servicing the needs of independent community pharmacies and their patients. The Guild strives to promote, maintain, and support community pharmacies as the most appropriate primary providers of health care to the community through optimum therapeutic use of medicines, medication management and related services. The Guild and the 6,000 strong community pharmacy network across Australia has a long and credible record of delivering evidenced-based programs for Government and consumers, consistently demonstrating a capacity to deliver significant outcomes within substantial budget and time constraints in often complex and multi-organisation frameworks.</p> |
| 16. | <p>To whom it may concern, Thank you for your concern for education in Australia and taking the time to consider what possibilities might be available to improve our education system. However, three weeks is simply not enough time to develop a considered response to a 119-page document developed over a period of five years by a large team of individuals. I will limit my submission to a "brief comment" as a result. I appreciate the way the report acknowledges some of the nuances involved in education (such as the recognition that 'technology is not a silver bullet') and that the benefits of education 'extend beyond improved productivity' (p. ix). But I do wish to note my concern in relation to one (as this is all I have time for) of your suggestions for reform. It seems that the only evidence indicating that something is awry with Australia education is that 'academic results for foundational skills such as reading, writing and numeracy have been flat for over a decade' (p. ix). Referring to Section 2.5 Disrupting the school model, it is suggested that we 'reconsider approaches to school' (p. 38) to 'arrest and reverse these declines' (p. ix). Nawarddeken Academy is used as an example of innovation through their curriculum approach 'which links people's desire for environmental and social outcomes on their own land with an alternate school education that works for their children' (p. 39). I agree that these kinds of innovations are valuable and important. However, this whole report is grounded on the belief that education ought to be something that is efficient and yields a suitable return for investment. Innovative approaches such as those highlighted in the case of Nawarddeken Academy are valuable, but it is unclear how it is expected that these approaches will 'arrest and reverse' (p. ix) declines in PISA and NAPLAN performance. Nevertheless, this example is used to justify policy borrowing from the UK and America to incorporate more privatisation to the Australia school system. This is followed by poor evidence regarding the effectiveness of these reforms in raising educational outcomes. Furthermore, if PISA really is valued as an accurate reflection of the quality of our education system, why would Australia look to poorer performing countries such as the United States for possibilities of reform? Furthermore, why not consider the education system reforms of higher performing countries than the United Kingdom, such as Ireland or Canada? There are alternatives that need to be considered.</p>  |
| 17. | <p>Literacy, numeracy and digital literacy in the Australian workforce are essential enablers for productivity growth. In order to maximise access and engagement with foundation skills provision it is necessary to address barriers experienced by workers and potential learners. A recent report from the Reading Writing Hotline conducted by Social Equity Works looks at adult literacy needs in Australia: Insights from the classroom – a survey of adult literacy providers. It is available on the Reading Writing Hotline</p>   |

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|    | <p>website <a href="https://www.readingwritinghotline.edu.au/new-hotline-report-on-adult-literacy-numeracy-and-digital-literacy-needs">https://www.readingwritinghotline.edu.au/new-hotline-report-on-adult-literacy-numeracy-and-digital-literacy-needs</a>. The report provides recommendations on how these needs and barriers could be addressed. A key barrier for providers identified in the report is the lack of specialist adult literacy and numeracy teachers in Australia. This is becoming a critical issue for the provision of foundation skills with many of the existing specialist adult literacy workforce at retiring age and no pipeline of new trained literacy teachers to replace them.</p> |