



THE HON JIM CHALMERS MP
TREASURER

Tuesday, 4 February 2025

Ms Danielle Wood
Chair
Productivity Commission
Level 8, Two Melbourne Quarter
697 Collins Street
Docklands Vic 3008, Australia

Dear Ms Wood

In December 2024, the Government tasked the Productivity Commission with five new inquiries, focused on identifying ways to materially boost Australia's productivity in relation to each of the five pillars of the Government's Productivity Agenda. The Terms of Reference for these inquiries requested that the PC identify prospective areas for reform in the coming years.

Effective regulatory settings can play a crucial role in improving productivity by promoting competition, improving the environment for doing business and fostering innovation. It is central to the first pillar of the Government's Productivity Agenda, 'creating a more dynamic and resilient economy', and is already a core focus of the National Competition Review. Effective regulatory settings are also highly relevant to the other four pillars, given they enable the growth of our skilled and adaptable workforce, establish confidence in data and digital technology, facilitate the delivery of quality care, and underpin the policy mechanisms that deliver cheaper, cleaner energy and the net zero transformation.

In this context, I am writing to emphasise the relevance of regulatory reform to each of the five inquiries focused on the Government's Productivity Agenda, and to ask that prospective regulatory reform opportunities are considered within the Terms of Reference for these inquiries. This should include consideration of opportunities to streamline regulations and remove unnecessary duplication, examples of where regulatory reforms that have been impactful in other comparable countries, and recent developments and innovations in regulatory policy reform.

I encourage the PC, through its engagement with the Treasury, other Commonwealth agencies, and state and territory governments, to explore options for regulatory reforms that build on the Government's earlier work, and the progress being made through the Council on Federal Financial Relations.

I look forward to receiving the PC's interim advice on these matters, later in the year.

Yours sincerely

The Hon Jim Chalmers MP