

Anthony Albanese puts a “productivity project” at the centre of his economic agenda in the second of his “vision statements”, which seeks to further distance him from the Shorten era.

“Productivity is the key to economic growth, international competitiveness and, ultimately, rising living standards underpinned in large part by long-term, sustainable wage growth,” he says in an address to be delivered in Brisbane on Friday but released beforehand.

Albanese describes Australia as presently in a “productivity recession”.

“When Labor left office in 2013, annual productivity growth averaged 2.2%. Under the Coalition this rate has halved. In the last two quarters it has actually gone backwards.”

Albanese says he wants to pursue his “productivity project” in partnership with business, unions and civil society, but argues the focus should be much wider than just on industrial relations and work practices.

“I want to focus our productivity debate on managing the next wave of challenges.”

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These include increasing wages; population settlement and the management of cities and regions; climate change, energy and environmental sustainability; an ageing population, and entrenched intergenerational poverty.

“The priorities of our productivity renewal project will be to lift investment in infrastructure, lift business investment and invest in our people.”

He links the productivity agenda to Labor’s strong support for the superannuation guarantee’s legislated rise – which has become controversial - from its present 9.5% to 12%, saying an ALP government would partner with the private sector, including the superannuation industry, in investing in infrastructure.

The speech continues Albanese’s pitch to improve Labor’s relations with business. “I want to see business confidence restored and investment renewed,” he says.

One central theme of the speech highlights the importance of micro-economic reform. “I have long been a champion of micro-economic reform,” Albanese says.

“Labor’s productivity renewal project will restart the process of micro-economic reform and the forensic analysis of how economic activity is regulated and where changes have to be made”.

Lauding the Hawke-Keating record on micro-economic reform, Albanese says “through the sheer power of their actions, they reminded us all that there is a natural and central role for the state”.

“But we have now reached the limits of the Hawke-Keating reforms. And new challenges require new impetus.”

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Written by Michelle Grattan, Professorial Fellow, University of Canberra

In the speech Albanese essentially paints himself as a fiscal conservative well removed from Bill Shorten's approach of big spending and higher taxation.

He stresses the reform agenda must be complemented by sound fiscal policy.

"I want our economic framework to have a soft heart and a hard head," he says. The speech is laced with references to his personal experience growing up in straitened circumstances.

"As the child of a single mother on the invalid pension, I appreciate the value of a dollar and the importance of managing money.

"And having grown up in public housing, I also know all too well the value and the big difference government assistance can make to the lives of struggling families.

"Prudence and mutual obligation are values I learned growing up and they are values that I will take to fiscal policy," he says.

"Our fiscal priorities will be integrated with our long-term objectives to increase our productivity and, in turn, our living standards and social mobility," he says, putting social mobility "at the heart of Labor's mission".

Michelle Grattan does not work for, consult, own shares in or receive funding from any company or organisation that would benefit from this article, and has disclosed no relevant affiliations beyond their academic appointment.

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Albanese promises a 'productivity project' in an economic vision statement harking back to Hawke and Keating

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