PITCHER PARTNERS

May 2024

BUSINESS

RADAR

Understanding the businesses driving Australia's economy

Productivity focus

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What productivity is and what it isn't

Top definition themes

#1
Enhance quality

#2
Ability to generate revenue

#3
Working effectively

#4
Enhanced production

#5
Ability to generate growth

#6
Process optimisation

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The effectiveness of productive effort, especially in industry, as measured in terms of the rate of output per unit of input.

Definition of productivity – Oxford Dictionary

Productivity
the *hot* media topic

So-called ‘reform’ is working against the productivity objective

WHY AUSTRALIA CRITICALLY NEEDS A PRODUCTIVITY PUSH

How to stop the productivity time bomb making us poorer

Productivity growth is at a 60-year low

Australians are working as hard as ever, but output is going backwards. Who's to blame?

Stress valueless busy work, impeding productivity

The pandemic pumped up productivity. Then the bubble burst

Productivity falls back to earth, posing threat to growth in living standards

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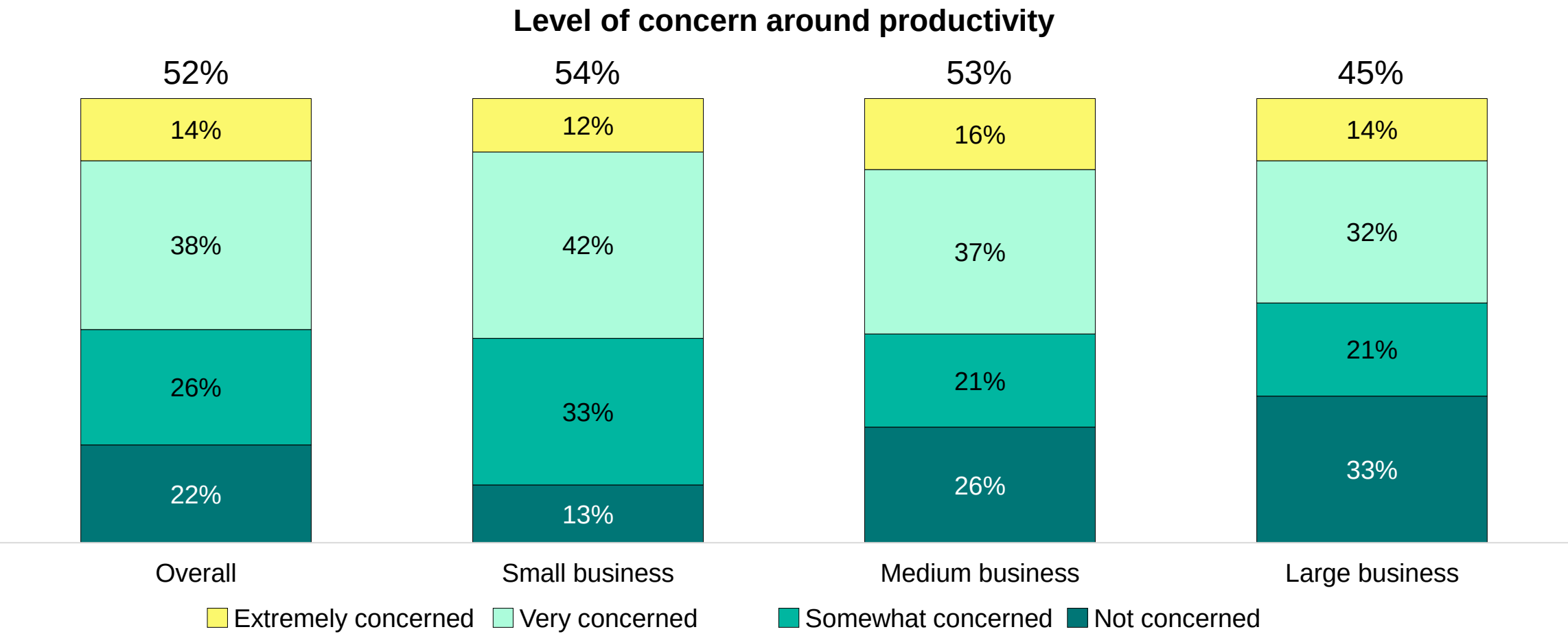
Productivity concerns

Generally positive view on productivity gains, but middle market still worried



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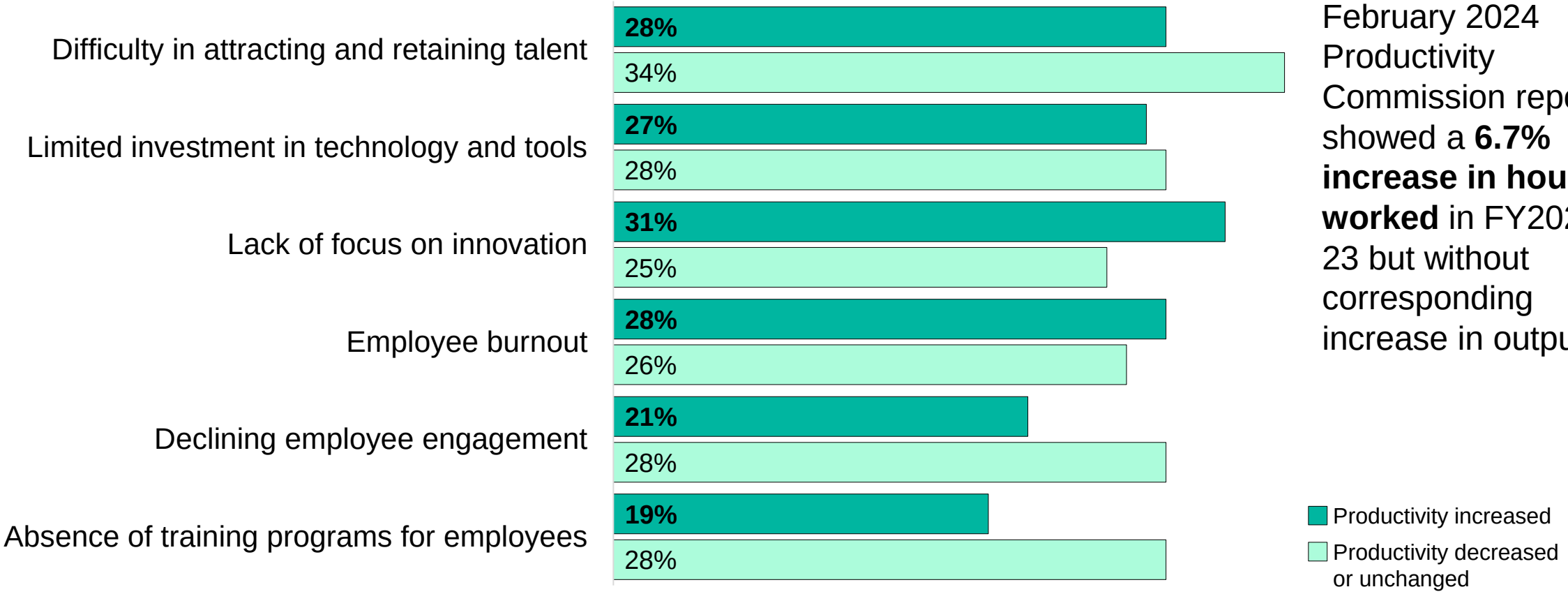
People – Labour is the biggest worry

Internal factors impacting productivity

Businesses that have seen productivity gains vs those who haven't



February 2024 Productivity Commission report showed a **6.7% increase in hours worked** in FY2022-23 but without corresponding increase in output

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Much productivity improvement could come from the adoption of established, even dated, technologies and practices.

Productivity Commission

Processes

Working smarter, not harder

Standardise

Centralise

Automate

Leverage

Educate

98%

of Australian businesses are not innovating in ways new to the world – Productivity Commission

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Platforms – start small with tech improvements

Key priority areas to enhance productivity

90%
Introduce new technology

89%
Introduce new digital tools

88%
Optimise production process

85%
Invest in technology

85%
Hire new talent

84%
Staff training

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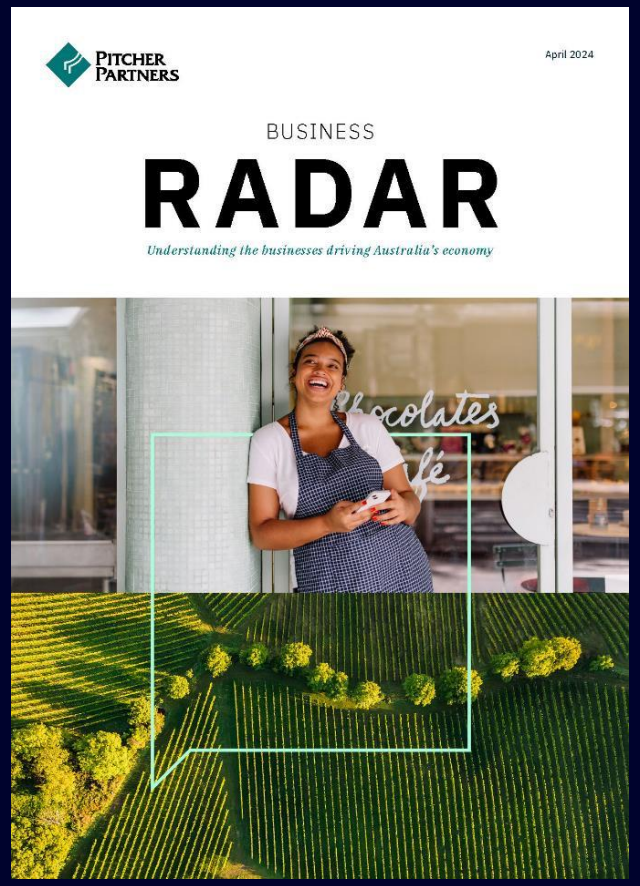

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