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## What will drive future productivity growth?

The House Economics Committee will discuss Australia's productivity growth challenge with the Department of the Prime Minister and Cabinet and also an economist, Professor Chris O'Donnell, at a public hearing in Canberra tomorrow (4 February).

The committee, as part of its inquiry into raising Australia's productivity growth rate, is investigating ways to sustain and boost the national productivity growth rate given the official measure has been declining since 2003-04, less than a decade after Australia experienced unprecedented productivity growth in the 1990s.

Committee Chair, **Craig Thomson, MP** said: "The committee is considering those factors which businesses and governments can influence to achieve robust national productivity growth."

An econometric model developed in 2008 by Professor Chris O'Donnell questions the adequacy of current productivity growth measures. When this model was applied to the 1970—2003 period, the main driver of Australian productivity growth was found to be technological change.

The Centre for Efficiency and Productivity Analysis draws on Professor O'Donnell's work, stating in their inquiry submission that technological change, coupled with scientific research and development, are the keys to Australia's future productivity growth.

The committee will also meet with the Department of the Prime Minister and Cabinet to discuss the Council of Australian Governments' (COAG) Agenda, and its influence on Australia's productivity growth rate.

The hearing will be held in **Committee Room 2R2, Parliament House, Canberra on Thursday, 4 February 2010**. The hearing will be webcast live:  
<http://webcast.aph.gov.au/livebroadcasting/>.

The program is outlined below:

9.40 am	Professor Chris O'Donnell (private capacity, via teleconference)
10.15 am	The Department of the Prime Minister and Cabinet
11.00 am	Adjournment

**For media comment:** please contact the Committee Chair, Mr Craig Thomson MP, on (02) 4351 1223 (Electorate Office) or (02) 6277 4460 Parliament House. **Further information:** contact the Inquiry Secretary (02) 6277 4209, email [economics.reps@aph.gov.au](mailto:economics.reps@aph.gov.au) or visit the Committee's webpage at <http://www.aph.gov.au/economics>