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Introduction

Australia's productivity performance has become a matter of sustained public concern. Over the past decade, productivity growth has slowed, while market concentration, cost-of-living pressures, and concerns about economic resilience have intensified. Recent parliamentary inquiries and independent reviews have increasingly pointed to market structure, competition, and governance arrangements as central factors shaping these outcomes, rather than viewing productivity solely as a matter of firm-level efficiency or workforce capability.

The House of Representatives Standing Committee on Economics has documented a decline in competition and economic dynamism across multiple sectors of the Australian economy. Its report *Better Competition, Better Prices*¹ finds rising market concentration, declining rates of firm entry and exit, and evidence that increased market power has undermined productivity growth, investment incentives, and wage outcomes over time. The report emphasises that productivity, competition, and economic dynamism are interdependent, and that **weakening competition** can suppress innovation and long-term growth even in the absence of unlawful conduct.

These concerns are echoed in sector-specific inquiries. The Independent Review of the Food and Grocery Code of Conduct, led by Dr Craig Emerson², identifies a persistent imbalance in market power between major supermarkets and their suppliers. The Review finds that this imbalance limits suppliers' willingness and capacity to invest, innovate, and adopt productivity-enhancing technologies, and concludes that existing voluntary governance arrangements have been ineffective in addressing these structural issues. The Review explicitly links supplier investment, innovation, and productivity outcomes to the way **market power** is exercised and governed.

Related findings emerge from the Inquiry into Price Gouging and Unfair Pricing Practices³, which highlights that many of the largest price increases in Australia have occurred in sectors characterised by disproportionate market power or monopsony power over supply chains and labour. The inquiry notes that high prices and rising profit shares are often associated with limited competition, and that existing competition law does not directly address the economic harms arising from excessive pricing or persistent power imbalances.

Together, these inquiries establish a consistent policy context: ***Australia's productivity challenge cannot be separated from questions of market concentration, bargaining power, governance, and risk allocation.*** This submission builds on that evidence by examining how conflicts of interest and structural barriers embedded in market governance and concentrated market structures suppress sustainable productivity growth, weaken investment incentives, and reduce economic resilience over time.

¹ House of Representatives, Standing Committee on Economics; *Better Competition, Better Prices* - Report on the inquiry into promoting economic dynamism, competition and business formation. Canberra, ACT March 2024

² The Australian Government the Treasury; Independent Review of the Food and Grocery Code of Conduct Interim Report. Langton Crescent Parkes, ACT April 2024

³ Australian Council of Trade Unions, Inquiry into Price Gouging and Unfair Pricing Practices. February 2024

Background

This research was designed to examine how structural conditions in Australian supply chains shape firm behaviour, productivity outcomes, and long-term economic resilience. In particular, it focuses on how suppliers experience and respond to market power, governance arrangements, and grievance mechanisms in sectors characterised by high buyer concentration.

The research originates from a recognised gap between **policy-level discussions of productivity and competition** and **the lived experiences of suppliers operating within concentrated markets**. While recent inquiries and reviews have documented market concentration, bargaining power imbalances, and concerns about competition, there has been limited empirical analysis of how these conditions affect suppliers' decisions to invest, innovate, raise concerns, reduce their footprint, or exit markets altogether.

To address this gap, the research combines two complementary components:

First, the study undertakes a **systematic qualitative analysis of public texts**, including authoritative policy documents, inquiry reports, and official statements, alongside submissions, statements, and communications from suppliers and industry associations. These materials are analysed comparatively to identify differences in how productivity, compliance, risk, and responsibility are framed. The analyses of this project distinguish between authoritative texts and supplier/association texts and examining them across textual, discursive, and social dimensions. This approach allows the research to identify not only what is said about productivity and market functioning, but also what is consistently omitted or downplayed in official narratives.

Second, the research is grounded in an ongoing **empirical study of supplier grievance mechanisms in Australia**, approved under University of Melbourne Human Research Ethics Committee approval (Project ID 34408). This project investigates how suppliers raise concerns with large buying firms, how grievance mechanisms are used in practice, and why many suppliers choose not to use formal complaint channels even when they exist. The study focuses particularly on supplier decisions to quietly reduce product ranges, withdraw from regions, or exit markets entirely, rather than pursue formal grievance processes.

The project involves semi-structured interviews with Australian suppliers and peak-body representatives and is explicitly concerned with understanding:

- which buyer practices trigger supplier dissatisfaction,
- how safe and usable complaint channels are in practice,
- and what forms of “exit” or de-scaling suppliers adopt when formal mechanisms are perceived as ineffective or risky

Together, these two components allow the research to link **policy discourse** with **supplier behaviour**. The analysis shows that authoritative texts tend to frame productivity challenges in technical or firm-level terms, emphasising efficiency, compliance, and capability. In contrast, supplier and association texts consistently highlight power asymmetries, fear of retaliation, compliance burdens, and the erosion of investment capacity. The grievance mechanisms research

provides direct empirical insight into how these structural conditions translate into concrete business decisions.

Importantly, the research does not treat supplier exit or de-scaling as isolated failures or idiosyncratic outcomes. Instead, it treats them as **systemic responses to structural conditions**, including market concentration, asymmetric risk allocation, and governance arrangements that place responsibility on suppliers without corresponding influence or protection. This perspective aligns with the aims of the grievance mechanisms project, which seeks to understand when suppliers choose “voice” and when they choose “exit,” and what those choices imply for supply-chain resilience and productivity.

The background to this research is therefore not a general concern with productivity in the abstract, but a specific concern with **how productivity is shaped, constrained, or undermined by structural features of Australian markets**. By integrating document analysis with supplier-centred empirical research, the study provides evidence on mechanisms that are largely invisible in aggregate productivity statistics but are central to understanding why productivity gains are difficult to sustain and diffuse.

In the context of parliamentary inquiry, this research offers a structured way to connect competition, governance, grievance mechanisms, and productivity. It demonstrates that supplier behaviour; whether investing, innovating, raising concerns, or exiting; is not simply a matter of firm capability or preference, but a rational response to the incentives and risks created by current market structures. In what follows, I will outline the main findings in my research with respect to:

Term of Reference: Conflicts of Interest and Structural Barriers to Sustainable Growth.

1. Conflicts of interest embedded in market governance and compliance systems

1.1 How governance and compliance systems operate in concentrated markets

This study finds that a major structural barrier to sustainable productivity growth in Australia arises from the way governance and compliance systems operate in markets characterised by high levels of concentration. These systems include standards, audits, reporting obligations, certification schemes, assurance processes, and contractual compliance requirements that firms must meet in order to participate in key markets.

In official and authoritative texts, these systems are consistently presented as neutral and technical. They are described as mechanisms that improve efficiency, ensure quality and safety, reduce risk, and support trust in markets. Productivity is often assumed to benefit indirectly, either through better coordination or through discipline imposed on firms.

However, the analysis of supplier and industry association texts reveals that, in practice, these systems are deeply shaped by power imbalances. Suppliers repeatedly describe governance

arrangements that are defined, expanded, and enforced by dominant firms with substantial control over market access. Participation in these systems is not optional. Compliance is a condition of doing business, and failure to comply can lead to exclusion from supply chains or loss of commercial viability.

A central finding of the study is that **the costs and benefits of these governance systems are unevenly distributed**. Suppliers bear the majority of the costs, while dominant firms capture most of the benefits. These costs are not limited to direct financial outlays. They include managerial time, administrative labour, system upgrades, repeated audits, and ongoing monitoring and reporting. Importantly, these costs are often fixed rather than variable, meaning they weigh more heavily on smaller and regional firms.

Suppliers consistently report that governance requirements:

- Are introduced or expanded unilaterally by large buyers
- Are applied uniformly, regardless of supplier size or capacity
- Change frequently, limiting the ability to plan or amortise costs
- Are rarely accompanied by price adjustments or cost recovery mechanisms

At the same time, the benefits of these systems, such as reputational protection, simplified oversight, and risk transfer, accrue primarily to dominant firms. Large buyers are able to demonstrate compliance to regulators, consumers, and investors, while suppliers absorb the operational burden.

The study also identifies conflicts of interest involving third-party assurance providers, auditors, and certifiers. These entities often derive revenue from the continuation and expansion of compliance activity. As a result, there are weak incentives to streamline requirements, coordinate across buyers, or assess whether compliance systems are delivering genuine productivity or efficiency gains.

Taken together, these dynamics create a governance environment in which compliance activity expands over time, regardless of its impact on productivity. Rather than supporting efficient coordination, governance systems become self-reinforcing structures that prioritise risk insulation and control over investment and innovation.

Table 1. Distribution of costs and benefits in governance systems (as observed in the study)

Aspect	Dominant firms	Suppliers
Ability to define requirements	High	Low
Compliance cost burden	Low (relative)	High
Risk exposure	Limited	Significant
Capacity to pass on costs	High	Limited or none
Productivity investment capacity	Protected	Constrained

This imbalance is a structural conflict of interest. It does not depend on the intentions of individual firms or regulators. It arises from how governance systems are designed and funded within concentrated markets.

1.2 Why these conflicts of interest act as structural barriers to sustainable growth

The conflicts of interest described above undermine sustainable growth by weakening the connection between productivity improvements and long-term economic outcomes. In theory, productivity gains should allow firms to reinvest, innovate, improve wages, and expand capacity. In practice, the study shows that this mechanism often fails in concentrated markets.

Suppliers report that even when they succeed in improving efficiency, through better processes, technology adoption, or workforce improvements, the financial benefits are often temporary. Dominant buyers are able to capture these gains through price pressure, tighter performance benchmarks, or additional compliance requirements. Over time, suppliers learn that productivity improvements do not reliably translate into stronger financial positions.

This has predictable consequences for firm behaviour and investment decisions. The study finds that suppliers respond rationally to these conditions by:

- Shortening planning horizons
- Deferring or scaling back capital investment
- Prioritising short-term cost control over long-term innovation
- Relying on labour intensification rather than productivity-enhancing technology

These responses are not signs of inefficiency or resistance to change. They reflect the structural reality that expected returns on investment are uncertain and often appropriated by more powerful market actors.

Another important structural effect identified in the study is the impact on market diversity and resilience. Firms that are unable to absorb compliance costs or manage ongoing risk exposure are more likely to exit the market. Over time, this leads to consolidation, reduced supplier diversity, and greater dependence on a smaller number of firms. While this may appear efficient in the short term, it increases systemic vulnerability and reduces the economy's capacity to adapt to shocks.

The study also highlights the cumulative burden of fragmented and duplicative compliance systems. Suppliers often face multiple audits and reporting requirements covering similar issues but using different formats, timelines, and standards. While each requirement may appear reasonable in isolation, their combined effect is substantial. Time and resources that could be directed toward productivity improvement are instead absorbed by administrative coordination.

Despite these impacts, the structural nature of these barriers is largely absent from official productivity discussions. Authoritative texts tend to frame productivity challenges in terms of skills shortages, technology uptake, or firm capability. While these factors are important, the study shows that they are insufficient explanations where market structures systematically constrain firms' ability to invest and grow.

This gap between official narratives and lived experience has important policy implications. When structural barriers are overlooked, policy responses focus on encouraging firms to “do more” within unchanged constraints. Training programs, innovation grants, and technology incentives are introduced, but their effectiveness is limited because the underlying governance and market conditions remain intact.

The study therefore concludes that conflicts of interest embedded in governance and compliance systems are not peripheral issues. They are central to understanding why productivity gains in Australia have been difficult to sustain and translate into long-term growth.

In summary, this section demonstrates that sustainable productivity growth requires more than technical efficiency or behavioural change at the firm level. It requires addressing the structural conflicts of interest that shape incentives, allocate risk, and determine who captures the benefits of productivity improvement.

2. Structural barriers arising from market concentration and asymmetric risk allocation

2.1 Market concentration as a structural constraint on productivity and growth

This study finds that market concentration is not simply a background condition in the Australian economy; it is a **central structural factor shaping productivity outcomes**. In the markets examined, a small number of large firms exert significant control over access to customers, contracts, and revenue streams. This concentration alters how productivity gains are generated, distributed, and sustained over time.

In authoritative texts, market concentration is often treated as a neutral or secondary issue. Where it is acknowledged, it is typically discussed in terms of price outcomes for consumers or economies of scale. Productivity is assumed to benefit from scale, standardisation, and coordination. However, supplier and association texts consistently highlight that high concentration fundamentally changes how firms experience productivity incentives.

Suppliers operating in concentrated markets report that they face limited choice over buyers and little ability to negotiate terms. In many cases, the loss of a single major buyer would threaten the viability of the business. This dependence gives dominant firms the ability to impose conditions that would not be sustainable in more competitive markets. These conditions extend beyond price and include performance metrics, compliance obligations, delivery schedules, and risk allocation.

A key structural consequence of concentration identified in the study is the **weakening of the transmission mechanism between productivity improvement and sustainable growth**. In competitive markets, productivity gains typically lead to:

- Higher retained earnings
- Reinvestment in technology, skills, and capacity
- Competitive pressure that diffuses efficiency gains across the market

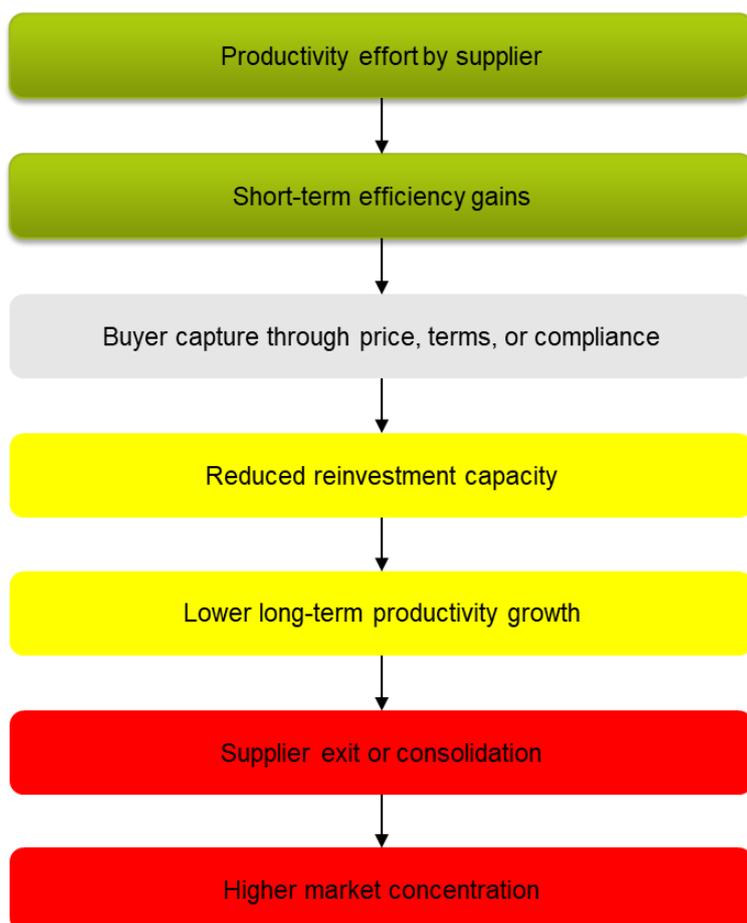
In concentrated markets, the study finds that this mechanism often breaks down. Productivity improvements achieved by suppliers do not reliably translate into stronger financial positions. Instead, gains are frequently captured by dominant firms through:

- Downward pressure on prices following efficiency improvements
- Tighter performance benchmarks that reset expectations
- Additional compliance or reporting requirements introduced after productivity gains are demonstrated

Over time, this creates a rational expectation among suppliers that productivity gains will not be retained. As a result, firms adjust their behaviour in ways that limit long-term growth. Rather than investing in transformative improvements, they focus on maintaining minimum viability under increasingly demanding conditions.

The study also highlights that concentration reinforces itself through these dynamics. As compliance costs rise and margins narrow, smaller and mid-sized firms struggle to survive. Some exit the market, while others consolidate. This reduces the number of suppliers, further increasing buyer power and weakening competitive pressure. What may appear as efficiency-driven consolidation is, in many cases, a **structurally induced outcome**.

Chart 1: How market concentration affects the productivity–growth link



This cycle illustrates why productivity challenges in concentrated markets cannot be addressed solely through firm-level interventions. The structure of the market itself constrains outcomes.

2.2 Asymmetric risk allocation and its long-term effects on investment and resilience

Alongside concentration, the study identifies **asymmetric risk allocation** as a major structural barrier to sustainable growth. Suppliers consistently report that risks associated with operating in concentrated markets are disproportionately shifted onto them, while dominant firms retain the ability to insulate themselves from volatility and uncertainty.

These risks include, but are not limited to:

- Demand fluctuations and volume uncertainty
- Cost increases arising from input prices or regulatory change
- Compliance failures linked to changing standards or interpretations
- Operational disruptions beyond the supplier's direct control

Supplier texts indicate that contracts and informal arrangements often require suppliers to absorb these risks without commensurate compensation. At the same time, suppliers have limited capacity to pass risks on, either through pricing or contractual renegotiation. This asymmetry is reinforced by the credible threat of exclusion from the market.

From a productivity perspective, the implications of this risk allocation are profound. Investment decisions are inherently forward-looking. Firms invest in new technology, skills, and capacity when expected returns justify the upfront cost and risk. Where risks are high and returns uncertain, rational firms limit investment, even if productivity improvements are technically feasible.

The study finds that suppliers respond to asymmetric risk allocation in several predictable ways:

- **Shortened investment horizons**, with preference given to projects that deliver immediate or near-term returns
- **Deferral of capital-intensive investments**, particularly those with long payback periods
- **Reliance on labour intensification**, such as longer hours or increased work intensity, rather than productivity-enhancing technology
- **Increased caution around innovation**, especially where innovation could expose firms to new compliance or performance risks

These responses are often misinterpreted in official discourse as resistance to change or lack of capability. The study shows that they are better understood as rational adaptations to structural conditions.

Another important finding is that asymmetric risk allocation undermines economic resilience. When risks are concentrated among smaller firms with limited buffers, shocks propagate quickly through the system. Supplier failures, capacity withdrawals, and service disruptions become more likely. While dominant firms may be insulated in the short term, the overall system becomes more fragile.

The study also highlights the interaction between risk allocation and compliance systems. As compliance requirements expand, the risk of non-compliance increases, particularly where standards change frequently or interpretations vary. Suppliers bear the consequences of failure, even when compliance expectations are unclear or evolving. This further increases uncertainty and discourages investment.

Authoritative texts rarely acknowledge these dynamics. Risk is often discussed abstractly, or assumed to be manageable through better management practices. The study shows that this assumption does not hold in highly concentrated markets where suppliers lack bargaining power and exit options.

The long-term result is a pattern of growth that is narrow, fragile, and uneven. Productivity improvements occur sporadically but are not embedded. Firms survive by coping rather than growing. Over time, this erodes the productive base of the economy and limits its capacity to generate broad-based prosperity.

3. Long-term consequences for productivity, competition, and economic resilience

3.1 How structural barriers shape long-term productivity outcomes

This study finds that the combined effects of conflicts of interest, market concentration, and asymmetric risk allocation have long-term consequences that extend well beyond short-term productivity metrics. These structural conditions shape how firms behave over time, how markets evolve, and how resilient the economy is to shocks.

A key insight from the study is that **productivity stagnation is not simply the absence of improvement**, but the outcome of repeated cycles in which potential gains are neutralised before they can accumulate. Suppliers report that they are under constant pressure to demonstrate efficiency improvements, yet they operate in an environment where any improvement quickly becomes the new baseline expectation. Rather than leading to reinvestment and growth, productivity gains are absorbed through tighter margins, higher compliance expectations, or greater exposure to risk.

Over time, this produces a pattern of economic activity characterised by:

- Incremental efficiency gains that are not embedded or compounded
- Limited diffusion of innovation across firms and sectors
- Weak incentives for firms to pursue transformative productivity improvements

The study shows that this dynamic is particularly damaging because it changes the nature of productivity itself. Instead of being associated with innovation, learning, and capability development, productivity becomes associated with cost cutting, labour intensification, and risk absorption. While these strategies may deliver short-term output gains, they do not support sustainable growth.

Another long-term consequence identified in the study is the erosion of competitive pressure. As smaller and mid-sized firms exit the market due to cost and risk pressures, the remaining firms face less competition. This reduces incentives for dominant firms to innovate or improve efficiency, further weakening productivity growth at the system level. What emerges is a feedback loop in which low productivity growth and high concentration reinforce each other.

The study also highlights the long-term implications for workforce development. When firms face uncertainty about returns on investment, they are less likely to invest in training, skills development, and career pathways. Over time, this contributes to skills mismatches and labour shortages, which are then cited in authoritative texts as causes of low productivity. The study suggests that these issues are often symptoms of deeper structural problems rather than independent causes.

3.2 Implications for competition, resilience, and policy effectiveness

Beyond productivity, the structural barriers identified in this study have important implications for competition and economic resilience. Markets characterised by high concentration and fragile supplier bases are less able to adapt to shocks, whether they arise from economic downturns, supply disruptions, or regulatory change.

Suppliers report that operating with thin margins and high compliance burdens leaves little room for error. When shocks occur, firms may respond by reducing output, delaying investment, or exiting the market altogether. While dominant firms may be insulated in the short term, the overall system becomes more brittle. Capacity is lost, recovery is slower, and costs are ultimately borne by the wider economy.

The study also raises concerns about the effectiveness of existing policy approaches. Productivity policies that focus on skills, technology adoption, or firm capability are unlikely to deliver their intended outcomes if structural barriers remain unaddressed. Similarly, competition policy that focuses narrowly on prices or consumer outcomes may fail to capture the productivity and resilience effects of market power.

The findings suggest several important implications for policy design:

- Productivity policy and competition policy cannot be treated as separate domains. Market structure directly shapes productivity incentives and outcomes.
- Governance and compliance systems should be assessed not only for their regulatory objectives, but also for their cumulative impact on investment and productivity.
- Risk allocation matters. Policies that implicitly allow risk to be shifted onto weaker market participants can undermine long-term growth and resilience.

A further implication concerns measurement and accountability. The study shows that many structural barriers are invisible in standard productivity metrics and official narratives. As a result, policy evaluation may underestimate the true costs of concentration, compliance fragmentation, and risk transfer. Without better visibility of these factors, reforms may address surface-level issues while leaving underlying constraints intact.

Finally, the study highlights the risk of policy fatigue. When firms are repeatedly encouraged to improve productivity without corresponding changes to market structure, trust in policy initiatives erodes. Suppliers become sceptical of programs that promise productivity gains but do not address the conditions under which those gains can be realised and retained. Over time, this reduces engagement and limits the effectiveness of reform efforts.

Conclusion

This submission has shown that Australia's productivity challenge cannot be understood solely through the lens of skills, technology, or firm-level efficiency. Drawing on detailed analysis of authoritative texts and supplier and industry association accounts, the study demonstrates that **conflicts of interest and structural barriers embedded in market governance and concentrated market structures play a decisive role in shaping productivity outcomes.**

Across Sections 1 to 3, a consistent picture emerges. Productivity is not failing because firms or workers are unwilling to improve. Rather, **the conditions under which productivity improvements are generated, retained, and reinvested are structurally constrained.** These constraints are most visible in markets characterised by high concentration, asymmetric bargaining power, and governance systems that expand without corresponding accountability for productivity outcomes.

At the centre of this problem is a misalignment between **who bears costs and risks** and **who captures the benefits of productivity improvement.** Governance and compliance systems, such as audits, reporting requirements, certification schemes, and performance standards, are widely justified in official discourse as neutral tools that support efficiency, trust, and market integrity. However, the study shows that in practice these systems often operate in ways that shift cost and risk downstream, while insulating dominant firms upstream.

Suppliers consistently report that compliance is a condition of market access rather than a negotiated element of commercial relationships. Requirements are frequently imposed unilaterally, expanded over time, and applied uniformly regardless of firm size or capacity. The direct costs of compliance, along with the associated opportunity costs, fall overwhelmingly on suppliers. Meanwhile, the benefits of compliance, reputational protection, simplified oversight, and risk reduction, accrue largely to dominant firms.

This dynamic creates a structural conflict of interest. Systems intended to support market functioning evolve into self-reinforcing compliance regimes, supported by assurance providers whose commercial incentives favour expansion rather than simplification. Over time, compliance activity grows independently of its contribution to productivity, crowding out investment in innovation, skills, and process improvement.

Market concentration amplifies these effects. In competitive markets, productivity gains typically support reinvestment and growth, as firms retain some of the benefits of improved efficiency. In the concentrated markets examined in this study, that transmission mechanism is weakened or broken. Suppliers report that productivity improvements are often followed by price renegotiation, tighter benchmarks, or new compliance obligations. The result is that productivity gains are not retained long enough to support long-term investment.

Faced with these conditions, suppliers respond rationally. The study shows that firms shorten planning horizons, defer capital-intensive investments, and prioritise short-term survival strategies over long-term capability building. Productivity improvement becomes associated with labour intensification and cost cutting rather than innovation. While these strategies may sustain output in the short term, they do not generate the kind of productivity growth needed to support rising living standards and economic resilience.

Asymmetric risk allocation further entrenches this pattern. Suppliers are frequently required to absorb demand volatility, cost increases, and compliance risks, even when these arise from changes beyond their control. Contracts and informal arrangements often provide limited protection or compensation. Where firms cannot pass risk on or renegotiate terms, investment becomes inherently risky. Over time, this discourages experimentation, innovation, and the adoption of new technologies.

The long-term consequences of these dynamics are cumulative and self-reinforcing. Firms that cannot absorb compliance costs or risk exposure exit the market. Others consolidate to survive. This reduces supplier diversity and increases market concentration, further strengthening the bargaining power of dominant firms. Competitive pressure weakens, and incentives for innovation decline. Productivity growth slows not because improvement is impossible, but because **the system repeatedly neutralises its own gains.**

A critical finding of the study is that these structural dynamics are largely **absent from official productivity discourse.** Authoritative texts tend to frame productivity challenges in terms of skills shortages, technology adoption gaps, or firm-level capability. While these factors matter, the study shows that they cannot be addressed effectively without confronting the structural conditions that shape incentives and constrain decision-making.

This gap has important implications for policy effectiveness. Productivity initiatives that focus on training, innovation grants, or technology adoption may deliver limited returns if firms lack the capacity to retain and reinvest productivity gains. Similarly, competition policy that focuses narrowly on prices or consumer outcomes may overlook the ways in which market power suppresses productivity and resilience over time.

The study does not suggest that governance, regulation, or scale are inherently harmful to productivity. Rather, it shows that **when governance systems operate within concentrated markets without checks on power, transparency in cost allocation, or coordination across requirements, they can become structural barriers to growth.** Productivity suffers not because standards exist, but because they expand without regard to cumulative burden or investment incentives.

The overarching conclusion of this submission is therefore clear. Australia's productivity challenge is not simply a technical problem to be solved through better management, harder work, or faster adoption of technology. It is a **structural problem rooted in how markets are organised, how power is exercised, and how risks and rewards are distributed.**

Addressing productivity in a sustainable way requires recognising that:

- Productivity, competition, and resilience are deeply interconnected
- Market structure shapes productivity outcomes as much as firm behaviour

- Governance systems must be assessed for their impact on investment incentives, not just compliance outcomes

Without attention to these structural factors, productivity improvements will remain fragile and uneven, and policy efforts will continue to face diminishing returns. With attention to them, productivity growth can once again support broad-based prosperity, economic resilience, and long-term national wellbeing.



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