



2026 STATE OF THE NATION

STRONG ECONOMY. STRONG SOCIETY.
SUSTAINABLE PROSPERITY.

2026 Report



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Australia's moment: act now or fall behind

Australia begins the second half of this decade with real choices to make about what kind of economy and society we are prepared to build.

We have a strong hand: abundant renewable energy, critical minerals, a world-class research base, proximity to the fastest-growing economies, and transformative AI technologies that are being actively deployed. However, national advantage does not convert into prosperity automatically, it requires deliberate choice.

CEDA's central conclusion is direct: long-term prosperity depends on two pillars working together. A strong economy, driven by business dynamism, investment and innovation. And a strong social compact, targeted at genuine needs, that enables participation and sustains cohesion.

History is clear on this. Past reforms succeeded because economic dynamism and social outcomes were pursued together, not in competition. CEDA's Progress 2050 agenda, informed by the aspirations of our members, provides a framework for building

the next generation of prosperity on the foundations of a strong economy and social compact. Progress 2050 sets out six clear goals to anchor reform direction and against which to assess performance.

The evidence in this, our first State of the Nation report, is sobering. Productivity growth is languishing. Business entry rates have fallen from 15.1 to 10.7 per cent over two decades.¹ Median house values now sit at 9.9 times median incomes.² Disadvantage remains entrenched. Social exclusion among Indigenous Australians remains five times higher than the broader population.³ An ageing population is placing growing pressure on our social compact.

The verdict: Australia is not moving fast enough, and on too many fronts we are drifting. Owning that reality is the first step to changing it.

Business is **Australia's** **economic engine**

Following a generation of relative stability, Australia has faced four major crises in six years. In turbulent times, governments play a critical role in shoring up resilience, but governments do not create prosperity. They create the conditions in which businesses and workers create prosperity. The distinction matters enormously. Business is not a risk to be contained. It is the primary engine of growth, employment, innovation and national wealth. Without a thriving, profitable private sector, there is no tax base to fund hospitals, schools, social innovation or income support; no jobs, no wages, no superannuation balances and no exports. Getting this right is not ideological. It is practical. Australia is not getting it right.

CEDA research shows that restrictive terms in federal Acts rose by around 30 per cent between 2003 and 2025, and regulatory restrictions directly affecting Australian industries increased by 39 per cent.⁴ Over that same period, business entry rates fell and investment growth stalled. That is not a coincidence. Complexity, duplication and adversarial regulatory posture impose real costs on business formation, expansion and innovation. Improving this will require not just cutting red tape, but a fundamental shift in how government relates to business.

Australia needs a policy posture that treats business as a capability to be drawn on, not a problem to be solved. The energy transition, productivity in care services, AI adoption, housing supply: none of these challenges can be met by government alone. They

require business investment, business innovation and genuine government-business partnership.

Global instability has seen sovereignty and resilience become a greater focus and priority of policy. We should proceed carefully. The most durable form of economic resilience is dynamism: businesses that adapt and grow, workers with portable skills, and institutions that back risk-taking. A closed, protectionist economy that shields incumbents is not resilient, it is complacent. Australia has been too comfortable with complacency for too long.

Australia needs a policy posture that treats business as a capability to be drawn on, not a problem to be solved.

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While there is considerable focus on manufacturing capability, services will dominate Australia's future economic and jobs growth, particularly care and human services. Productivity gains in these sectors are non-negotiable, not to manage costs and affordability alone but to sustain decent wages, quality of care, and the fiscal base that underpins the social compact. Technology, including AI, is central to this. Used well, it can expand capacity, support decent wages and improve outcomes. Realising these benefits will require policy settings that actively enable adoption, experimentation and trust, not caution it to death.

Renewing the social compact

Australia's social compact is a genuine source of national strength - it connects people to the benefits of dynamic businesses and a strong economy. Universal access to education, health care, housing and income support has supported participation, social cohesion and economic performance. That foundation is worth protecting. But it is under real pressure, and the response so far has been inadequate.

Demand for essential care and services is rising, driven by population ageing, higher expectations and societal change. At the same time, the trend has been toward broader, less targeted support that dilutes impact while increasing cost. This is not a social compact, and it risks delivering less to those who need it most while becoming fiscally unsustainable for those who come after.

The challenge is not to retreat from our unique social compact but to renew it. Renewal means clarity of purpose: a well-funded floor of essential support for all Australians that enables agency and connection to economic opportunity, combined with targeted investment where it delivers the greatest return. It means being honest about trade-offs and the fiscal limits of what future generations can reasonably bear.

Better targeting is necessary but not sufficient. We also need better outcomes, enabled by investment in prevention and early intervention delivery, and improved transparency and evaluation. Tighter connections between economic and social policy, linking skills, workforce participation and service delivery, can produce more integrated and effective responses. These are not easy reforms. But without them, Australia faces a social compact that becomes less effective as it grows more expensive.

The challenge is not to retreat from our unique social compact but to renew it.

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Defining tests for this decade

Two issues will define whether Australia can deliver on both pillars. They cut across the economy and the social compact simultaneously.

AI is the most consequential economic development of this generation. It is already being deployed in health, finance, law, logistics and professional services. It offers transformative productivity gains, but it also concentrates risk. Entry-level and routine roles are most exposed and people on lower incomes are worried about being left behind by AI. Australia must move deliberately: backing AI adoption, building the skills infrastructure to support workforce transitions, and ensuring the gains are broadly shared. Strategic autonomy matters, but excessive caution will cost us opportunity.

Intergenerational equity is the second test, with the intersection of policy settings and demographics exposing real pressure points. Housing is the most visible symptom, but the challenges run deeper. Younger Australians face a system that taxes earned income heavily while treating accumulated wealth lightly. A social compact that fails the next generation is not a compact, it is transfer

and compiling of the burden. The levers are familiar: the balance between taxing income and wealth, the treatment of capital gains and superannuation, and honest choices about who carries the fiscal load. Some steps have been taken. More are overdue.

Australia has what it takes to succeed. But success requires ambition and clear priorities, frank debate, deliberate choices and the willingness to act. Progress 2050 and this report are CEDA's contributions.

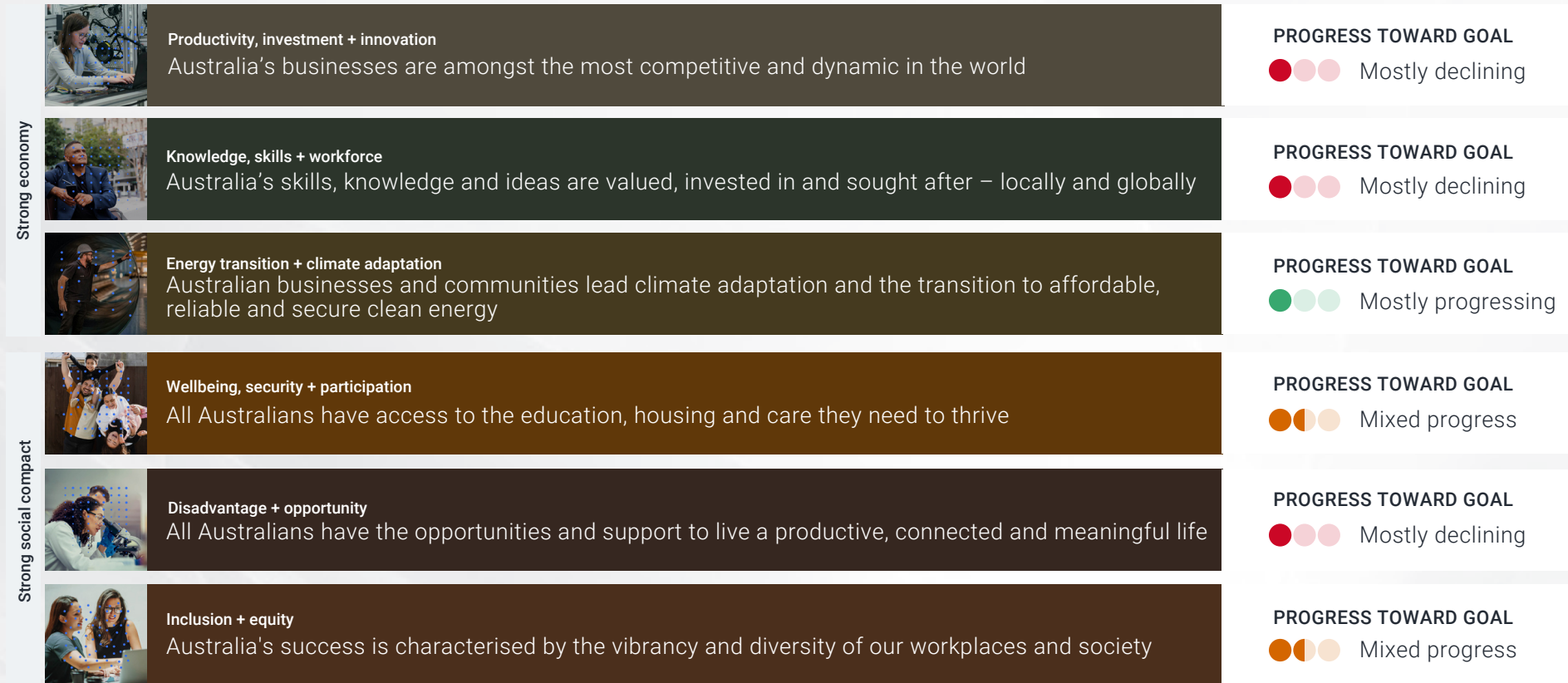


Melinda Cilento
Chief Executive Officer



How is Australia tracking?

The Progress 2050 goal tracker measures Australia's progress towards prosperity - based on a set of reliable and accessible metrics, tracked over time. It shows where the nation is moving in the right direction, where progress is stalling, and where more attention is needed.



At its heart, an economy is about people, and this anchors our Progress 2050 vision of a prosperous future for all Australians. We believe that long-term prosperity depends on the interconnected elements of a strong economy and a strong social compact. The vision brings together both sides of that equation. It recognises that productivity,

investment, innovation and economic dynamism are essential to lifting living standards. But it also recognises that prosperity must be broadly shared, with people able to access the foundations of a good life: secure work, affordable housing, quality education and training, good health, social connection and trust in institutions.

Australia's businesses are amongst the **most competitive and dynamic** in the world

Current state

Competitive, dynamic and profitable businesses underpin prosperity. They create the well-paid jobs and quality products and services that people want; they deliver the tax revenue governments rely on and the returns that support and attract investment.

We should aspire for Australia's businesses to be amongst the best in the world, and there are already great examples – BHP, Canva, Cochlear, CSL, Procreate to name a few. We need more, but dynamism and competitiveness are going backwards.

Australia's global competitiveness ranking is languishing. Productivity and non-mining business investment are low and falling. AI adoption lags peer countries and around 80 per cent of Australian businesses report no AI impact on productivity. The corporate income tax take is high and uncompetitive.

Policy developments

There have been welcome policy shifts over the past 12 months to address issues raised by CEDA and others in support of dynamism and productivity including:

- Passage of the Regulatory Reform Omnibus Bill 2025.
- The focus created by the Economic Reform Roundtable and Productivity Commission productivity inquiries.
- Commitments to eliminate further nuisance tariffs.
- Federal budget commitments to further deregulation and regulatory harmonisation.
- Locking in the instant asset write off and introduction of loss carry back provisions.

Goal 1 - Productivity, investment and innovation

Priorities for progress

The signal from recent data is of continued deterioration. Much of the agenda is still to be delivered and requires state and territory action. Deregulation commitments need to be implemented effectively and lay the foundations for more ambitious, National Competition Policy scale reforms. A broader and bolder reform agenda is required to ignite productivity and dynamism.

Deregulation priorities include:

- Regulatory harmonisation and the elimination of duplicative regulation across jurisdictions.
- Reducing regulatory burdens that are most harmful to innovation and productivity, impose compliance costs disproportionate to risk, weigh heavily on risk-taking, or fall on strategically important sectors.
- Ensure regulation is dynamic and proportionate for rapidly emerging sectors and new entrants, with light-touch, adaptive approaches that lower barriers to entry.
- Improving the processes of regulatory design and implementation.

Productivity priorities include:

- Acceleration of AI adoption where the productivity and service gains are most immediate, including in the health and care sectors, environmental approvals and business compliance.
- Better supporting new and young firms to scale by improving access to skills, finance, data and commercialisation pathways.
- Without a substantive overhaul of business taxation, focus should shift to actionable steps to lower effective tax rates on new investment.

A Ministerial champion for deregulation and business dynamism would foster confidence that reforms will be delivered and momentum maintained. Rebuilding trust more broadly between business and government could lay the foundations for greater reform ambition. This is not a one-sided endeavour. Business needs to play its part through transparency and demonstrable contributions.

CEDA member perspective

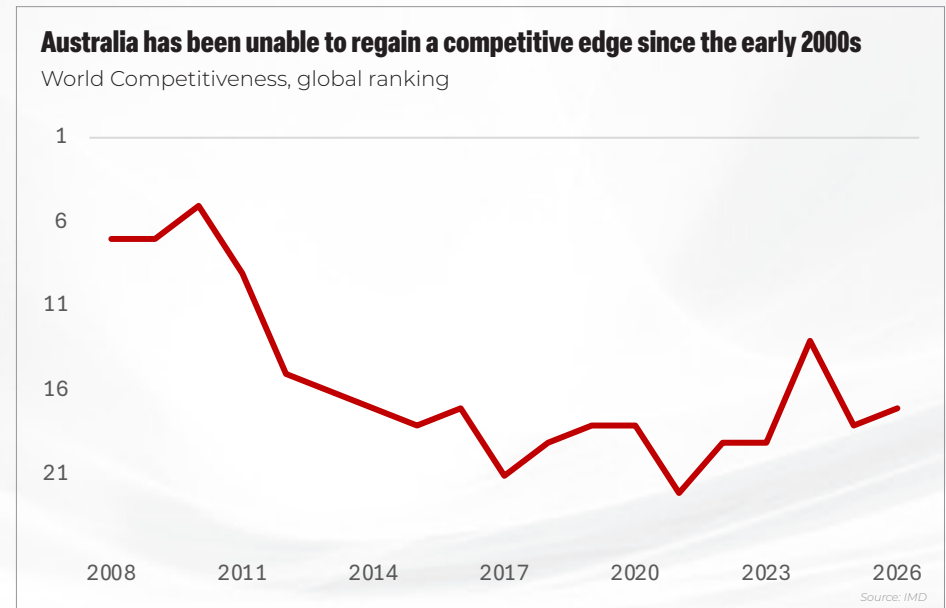
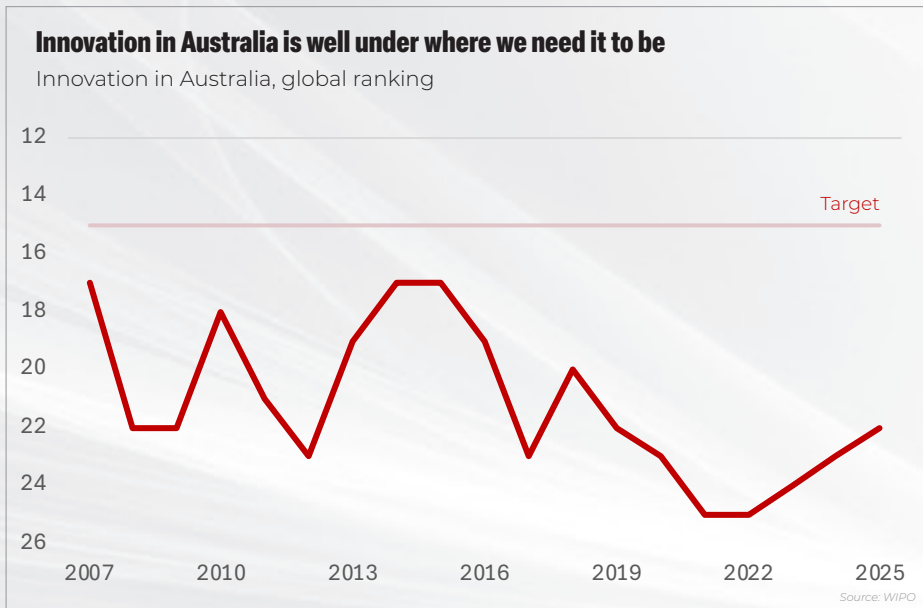
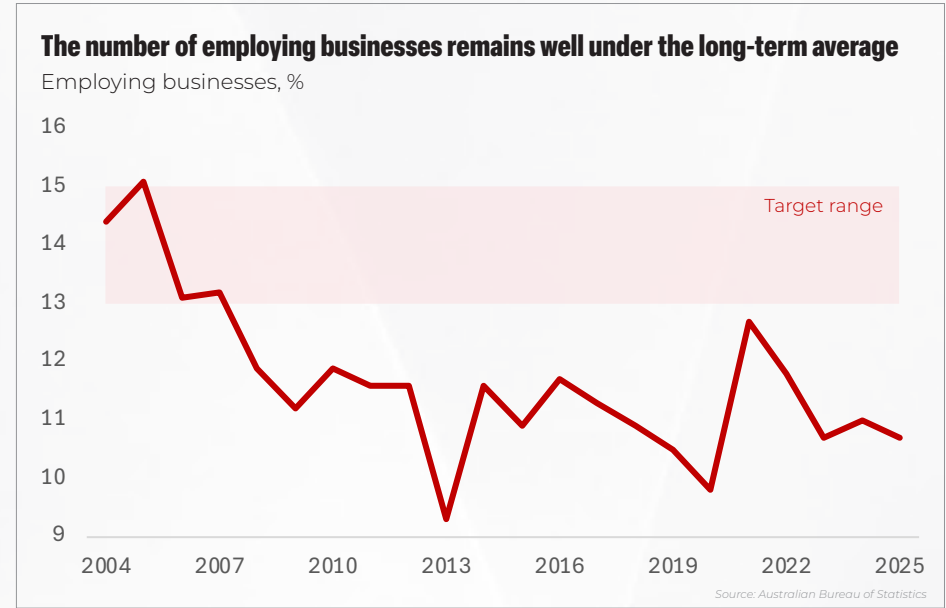
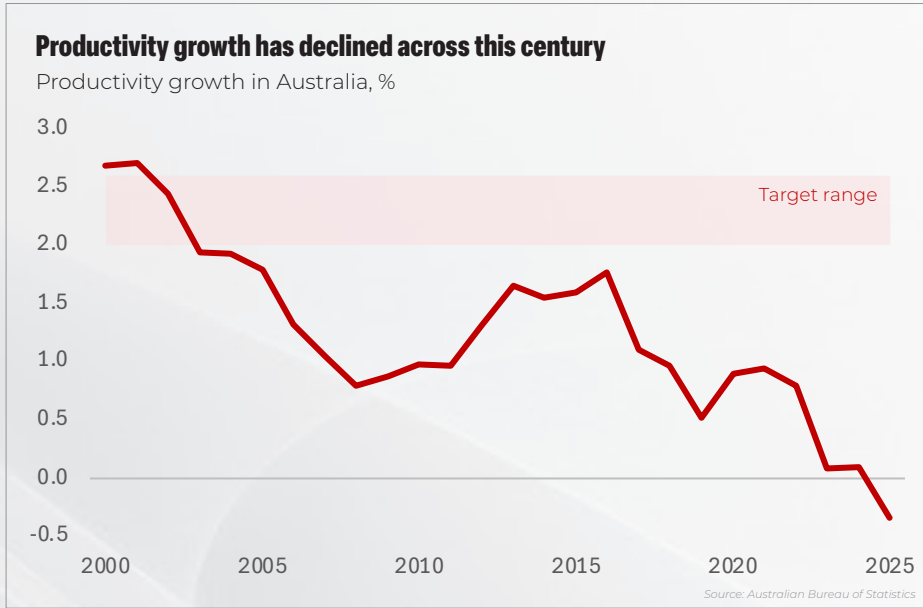
“Australia doesn’t lack ideas, plans or strategies; what we often lack is execution. Long-term competitiveness will depend on whether we can consistently deliver, create confidence to invest and turn good ideas into productive outcomes.”

Daniel Gillie

Head of Stakeholder and
Government Relations
Solstice Energy



Business dynamism continues to fall, with **policy reform falling short** of what's needed



Australia's skills, knowledge and ideas are **valued, invested in and sought after** – locally and globally

Current state

Investing in ideas, and in the people who create and act on them, is central to reversing Australia's faltering productivity growth, dynamism and competitiveness. Despite forming the bedrock of our economic prospects, our performance on skills, training, research and the migration that complements them is not where it needs to be.

Business investment in workplace training has fallen to a record low, while trade apprenticeship commencements fell sharply in 2023 and again in 2024. The National Occupation Shortage List found shortages in nearly 30 per cent of assessed occupations in 2025. Migrants attracted here to utilise their skills too often work below their skill level, held back by inconsistent occupational licensing and slow recognition of overseas qualifications.

While our Global Innovation Index ranking nudged up to 22nd in 2025, it sits below our 2015 best of 17th.⁵ And, at just 0.9 per cent of GDP, business R&D in Australia is less than half the OECD average of almost 2 per cent and below our 2008-09 peak of 1.4 per cent.⁶

Lifting our skills base is urgent, with over 80 per cent of occupations now requiring intermediate digital proficiency.⁷ Our AI ambitions will be more achievable if R&D investment and innovation ecosystems are strengthened in tandem with a skills uplift.

Skilled migration cannot paper over weak domestic education and training, but a well-targeted intake relieves acute shortages, lifts overall skill levels and complements the domestic workforce. Against a backdrop of cost-of-living and housing pressures, the focus on immigration has sharpened and community support has waned, which makes getting the settings right all the more important.

Policy developments

There have been positive policy developments over the past 12 months, including:

- Publication of the Ambitious Australia Strategic Examination of R&D (SERD) and a first wave of R&D Tax Incentive reforms.
- The Strategic Review of apprenticeship incentives and the new Key Apprentice Program, with \$10,000 in staged payments for housing construction apprentices.
- The move to the Core Skills Occupation List and the Skills in Demand visa, better aligning employer-sponsored migration with genuine shortages.
- Progress on national occupational licensing and labour mobility.

Goal 2 - Knowledge, skills and workforce

Priorities for progress

The foundations exist, but recent trends demand urgency rather than incrementalism. Australia must invest in its people and ideas with the same seriousness it brings to physical capital. Priorities include:

- Reversing the decline in workplace training and strengthening the apprenticeship pipeline, with better employer support and higher completion rates.
- Lifting foundational and digital skills and widening life-long learning pathways to meet the 2050 attainment target.
- Improving recognition of prior learning and work-related training, and the portability of skills across states, sectors and occupations.
- Resolving the licensing and qualification-recognition frictions that leave skilled migrants working below their capability.
- Leveraging the SERD review to lift business and public R&D investment and broaden the base of firms that innovate and adapt.

On migration, the task is to be deliberate rather than reactive. A stable, long-term migration plan, including a dedicated Essential Skills stream for structural shortages in sectors such as aged care, would let migration do what it does best: complement domestic effort and relieve acute pressure, while rebuilding the public confidence that recent debate has eroded.

CEDA member perspective

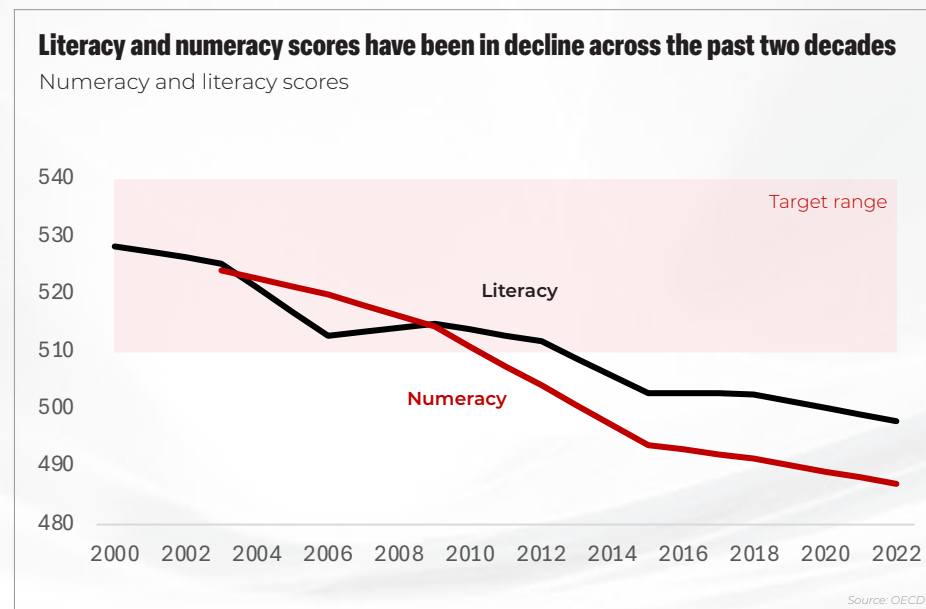
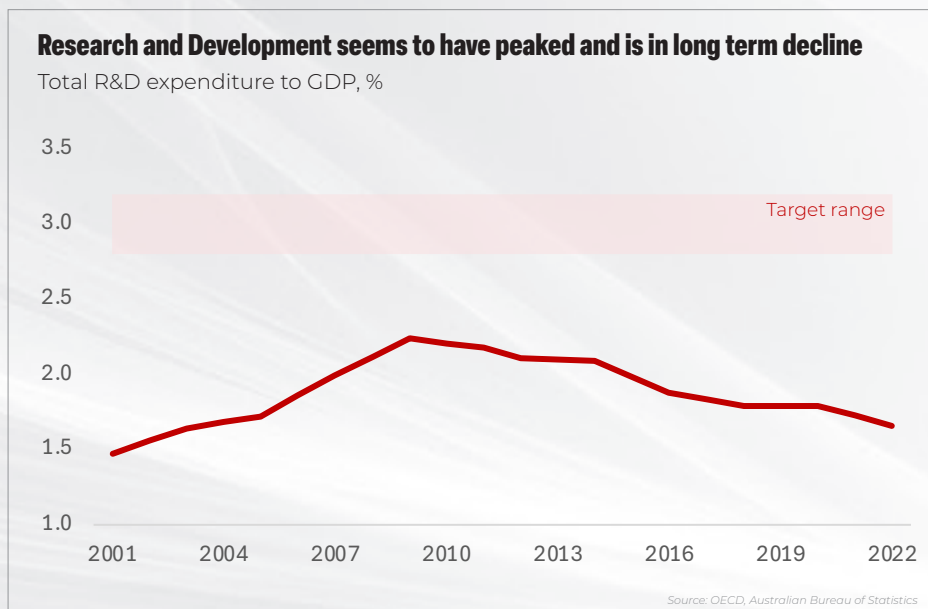
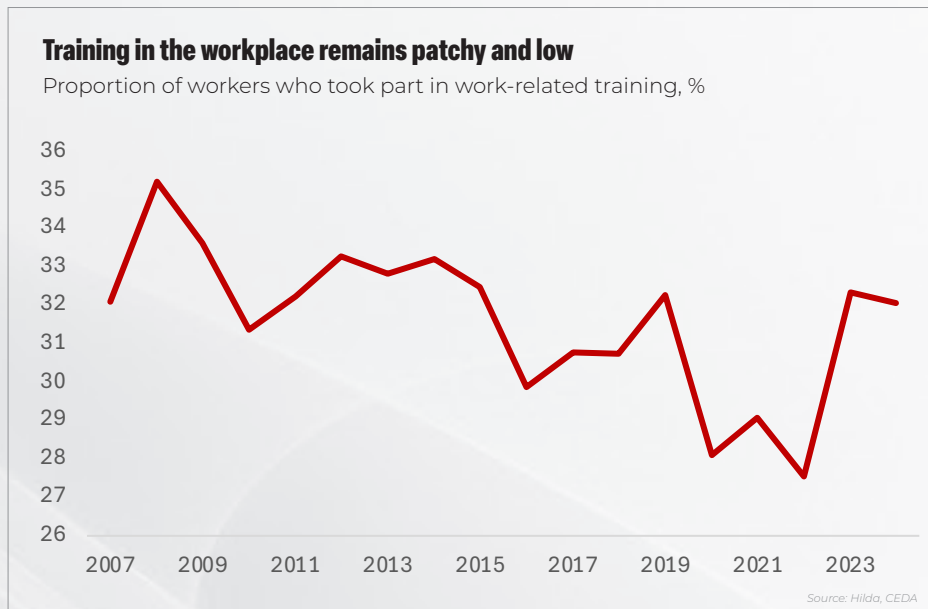
“Australia must strengthen coordinated action between industry, universities and government to co-design skills pathways and accelerate innovation in areas such as AI, clean energy and water security, ensuring our engineering and technology workforce remains competitive and responsive to evolving global challenges.”

Sam McCarthy

Business Director –
South Australia
Beca



Skills, training and R&D investment remain well below their potential



Australian businesses and communities lead climate adaptation and the transition to **affordable, reliable and secure clean energy**

Current state

Last year brought real progress on Australia's climate and energy ambitions. Emissions fell 2.2 per cent in 2025,⁸ including in the stubborn transport sector. Renewable energy met the majority of demand at several points in both the National Electricity Market and the Wholesale Electricity Market for the first time. More than 300,000 households have installed batteries under the federal battery scheme, increasingly displacing gas at peak evening demand.⁹ These shifts helped keep the grid stable through last summer's heatwave and are easing cost-of-living pressures, with electricity prices forecast to fall by up to 10 per cent in some regions this year even as subsidies wind back.¹⁰ Since the war in the Middle East, electric vehicle sales have nearly doubled as a share of all sales, saving an estimated 15 million litres of fuel.^{11,12}

But meeting the Government's 2035 target of 62 to 70 per cent below 2005 levels means accelerating momentum further. According to the Climate Change Authority, reaching even the lower end of the target requires:

- Doubling our rate of decarbonisation.
- Six-fold growth in utility storage.
- Four times more wind power.
- Tripling utility solar, doubling rooftop and distributed solar capacity.

Policy developments

Positive developments over the past 12 months are acknowledged, including:

- The 2035 emissions target, supported by a Net Zero Plan, six sectoral decarbonisation plans and Treasury modelling, giving industry a clearer investment signal.
- The New Vehicle Efficiency Standard, now in effect and due for review in 2026.
- The Cheaper Home Batteries Program, driving the surge in household storage.
- Continued Capacity Investment Scheme tenders underwriting new generation and dispatchable capacity.
- Expanded Rewiring the Nation transmission finance, including Clean Energy Finance Corporation backing for Marinus Link and state Renewable Energy Transformation Agreements.
- The largest reform to the Environment Protection and Biodiversity Conservation (EPBC) Act since its inception, intended to speed up environmental and planning approvals.

Goal 3 - Energy transition and climate adaptation

Priorities for progress

The record shows Australia can move when the settings are right. The task now is to convert announced ambition into built capacity, faster and at lower cost. Priorities include:

- Accelerating delivery, not just commitments, by moving Capacity Investment Scheme projects to final investment decision and into construction faster.
- Securing firm transmission connection timelines and resolving the grid-connection and social license delays that stall projects.
- Delivering the EPBC reforms, and using AI in assessments, so approvals are faster without weakening environmental outcomes.
- Reviving low-carbon R&D from 0.1 per cent of GDP to seed the next generation of clean technology and firming.
- Delivering long-duration storage and firming more cheaply, learning the lessons of Snowy 2.0, and restoring a stalled wind pipeline.

None of this is for governments to deliver alone. The capital, engineering and innovation sit largely with business, so the task for policy is to lower risk and reward investment, drawing private capital in at the scale and speed the transition needs. Done well, the transition is a source of cheaper power, new industries and lasting competitive advantage.

CEDA member perspective

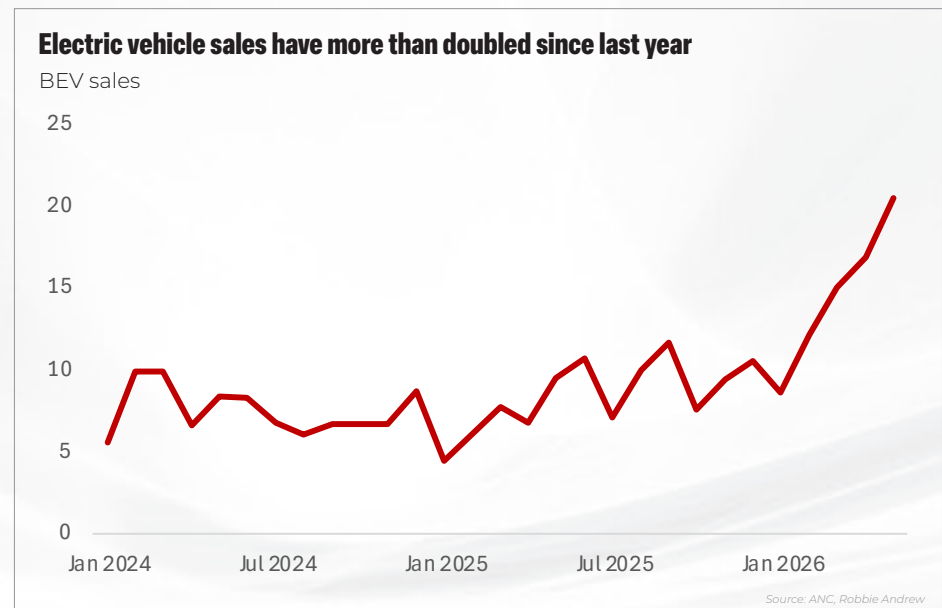
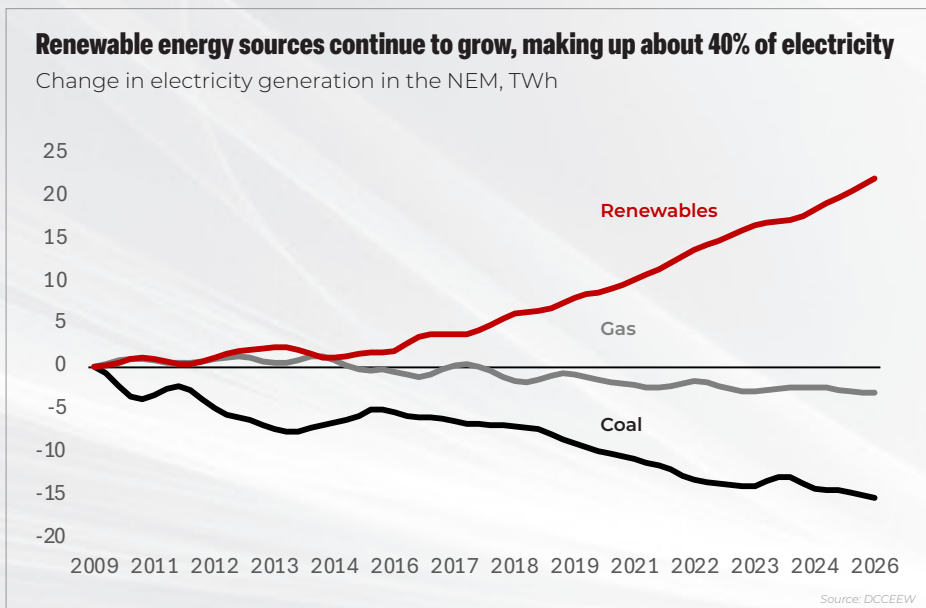
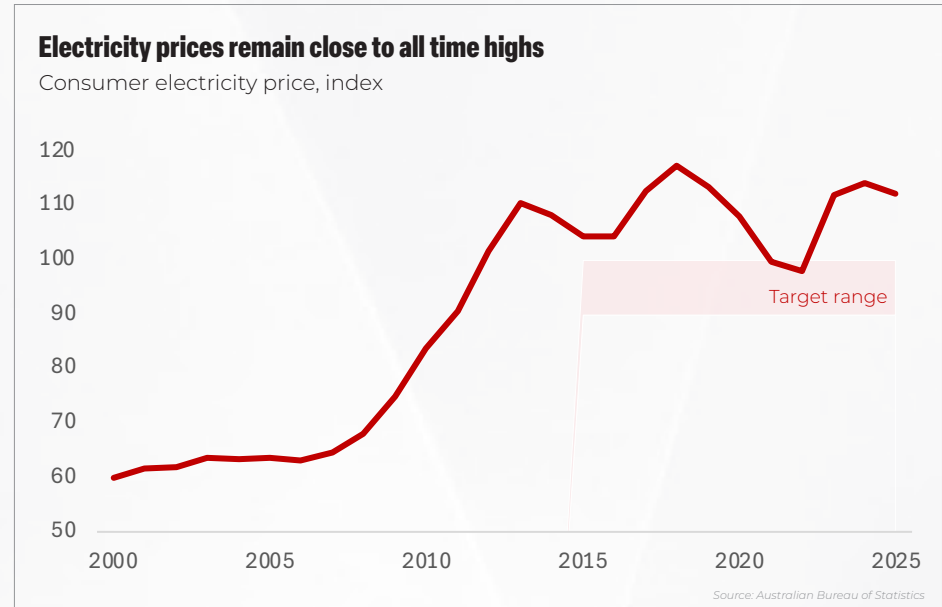
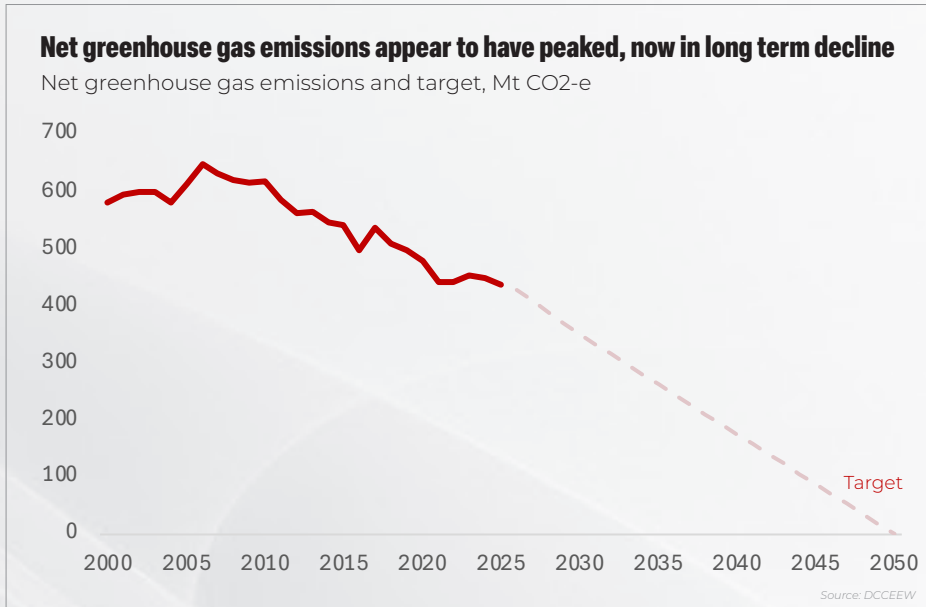
“The challenge is no longer capital or intent, but the ability to deliver infrastructure at pace and scale.

Australia needs to stop using project-level thinking to solve what is now a portfolio-level problem.”

Jonathan Jacobs
Managing Director
TBH



Genuine progress on the energy transition, but **still too slow** to meet targets



All Australians have access to the education, housing and care they need to thrive

Current state

Education, housing and care are the foundations of economic agency and of our social compact. On all three we are falling short, albeit with some areas of improvement.

Foundational skills and qualifications are the launchpad for mobility, yet:

- OECD Program for International Student Assessment (PISA) data shows students going backwards in maths, reading and science over the past decade.¹³
- Year 12 or Certificate III attainment among 20-24-year-olds has stalled at 89 per cent.¹⁴

The national figures mask deep inequality with students from low socio-economic areas trailing their peers on attainment by 13 percentage points, almost double the gap in 2017, while attainment is just 76 per cent in inner regional areas compared with 92 per cent in major cities.¹⁵

Housing access and affordability remain deeply challenged. Housing accounts for 23.7 per cent of household consumption, ranking Australia 26th in the OECD.¹⁶ Vacancy rates sit at just 1.7 per cent, against CEDA's 3 per cent benchmark.¹⁷ The 1.2 million homes target is tracking around a year late. Supply will not lift without a more productive construction sector, but dwellings built per worker have halved over the past half century.

On the care side, there are brighter spots. The share of people delaying or skipping a GP visit fell three points to 27 per cent in 2024-25, and two thirds could always see their preferred GP.¹⁸ On the other hand, aged care wait times rose to 26 days in 2025 amid sustained workforce shortages.¹⁹

Policy developments

Policy is moving, and housing and care is headed in the right direction:

- The \$47 billion Homes for Australia national plan, the National Planning Reform Blueprint for faster approvals and flexible zoning, and state reforms.
- Slower NDIS growth and \$35 billion in savings, shifts to Thriving Kids. It will be important to ensure this is delivered without creating a care gap.
- The new rights-based Aged Care Act and Support at Home program from 1 November 2025, and Fair Work Commission wage rises for around 400,000 aged care workers.

In education, the Better and Fairer Schools Agreement ties record Commonwealth funding, such as lifting the Commonwealth share to 25 per cent of the Schooling Resource Standard and putting public schools on a path to full funding, to reforms such as phonics and numeracy checks and catch-up tutoring.

Goal 4 - Wellbeing, security and participation

Priorities for progress

As agility and mobility become more important enablers of participation, it is education, housing and care that will determine whether people can retrain, relocate and stay in work. Progress here is what turns a renewed social compact from aspiration to desired outcomes.

Across all three foundations the same lesson holds: getting sustainably better outcomes will require more investment in prevention and early intervention, a sharper focus on effective implementation and evaluation, and stronger targeting of investments.

Priorities include:

- Lifting Year 12 and Certificate III attainment toward 95 per cent and closing the widening socio-economic and regional gaps, with funding tied firmly to delivery and outcomes.
- Accelerating housing supply, including through gentle density, which CEDA estimates could add close to one million homes across the five largest cities, and lifting construction productivity via modern methods of construction.
- Sustaining the aged care workforce, including a dedicated essential skills visa alongside a stronger domestic pipeline.
- Protecting timely GP access to ease pressure on the wider health system.

CEDA member perspective

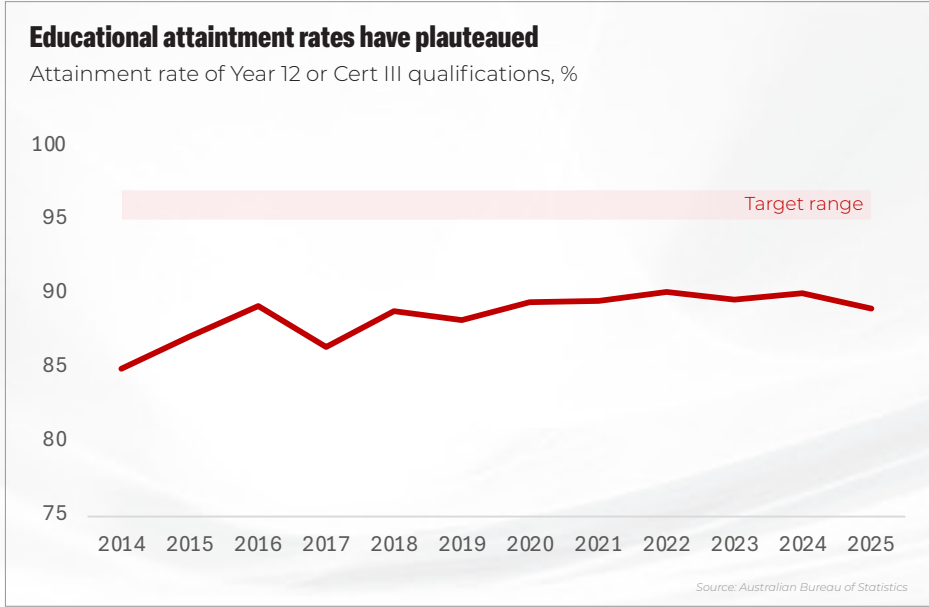
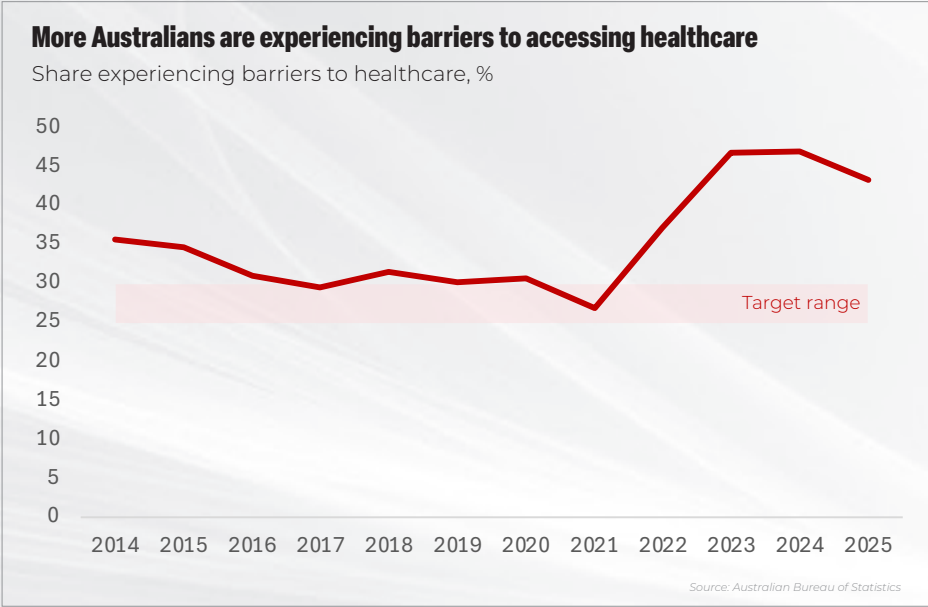
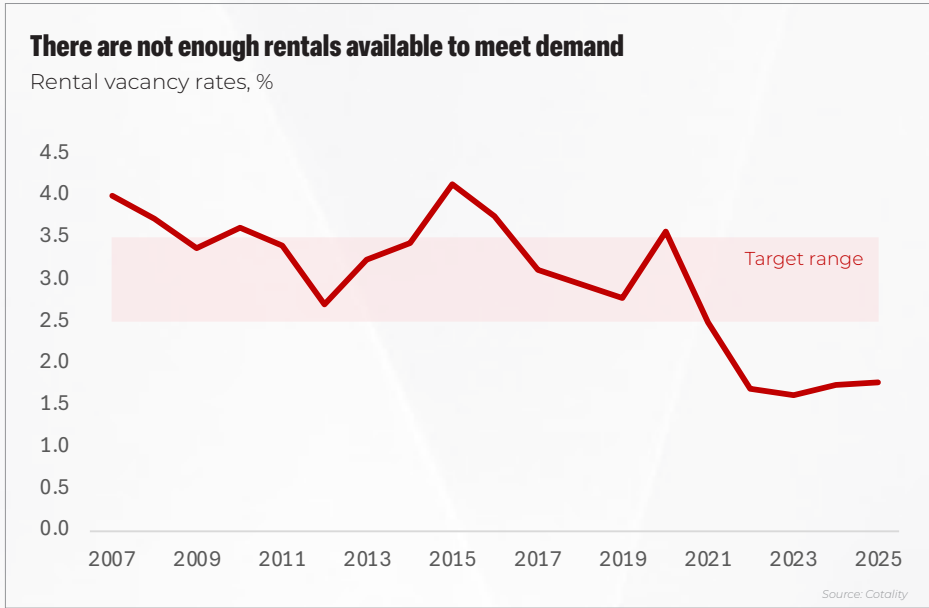
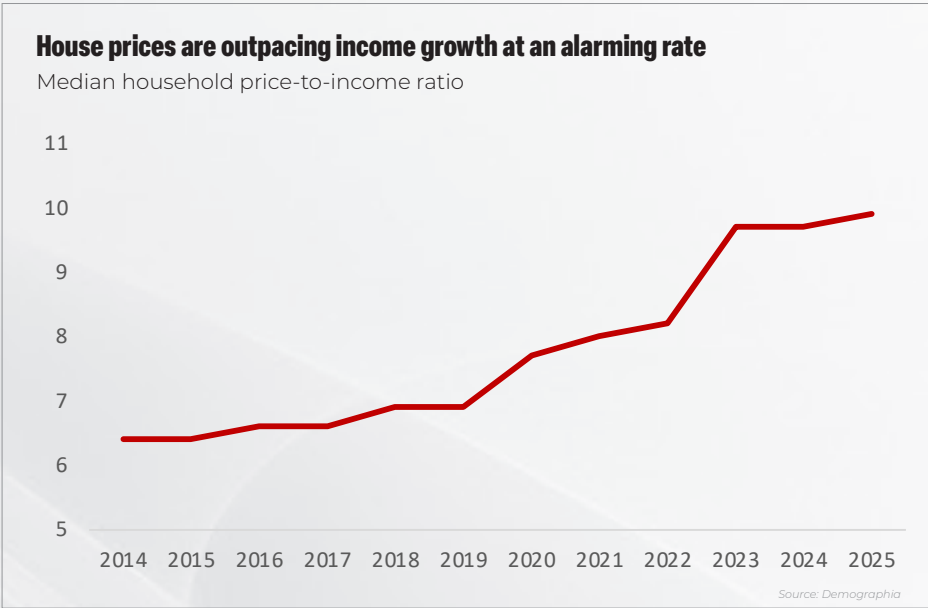
“Purpose built AI models are already revolutionising precision medicine, genomics, cancer research and population health. Technology is shifting the built environment. Australia needs to integrate and target our fragmented efforts to deliver on this extraordinary potential to enable healthy lives.”

Professor Attila Brungs AO

Vice-Chancellor
and President
UNSW Sydney



Economic foundations are deteriorating, but recent housing policy shows promise



All Australians have the opportunities and support to live a **productive, connected and meaningful life**

Current state

For too many Australians, the chance to live a productive, connected and meaningful life is being tested, and rising economic hardship is opening new fault lines. Australia's safety net remains weak, leaving many people too far below a basic living standard and ill-prepared to recover quickly from shocks. Indications of this include:

- 14 per cent of people lived below the poverty line in 2022-23, up from 12 per cent two years earlier.
- Young adults who experienced poverty in childhood are up to 11 percentage points less likely to be employed as adults.
- Cost-of-living pressures are not felt evenly, with households relying on government payments facing cost increases of about 4 per cent last year, against 2 per cent for employee households.
- 43 per cent of Commonwealth Rent Assistance (CRA) recipients remain in rental stress even after receiving the payment.
- The share of Australians reporting poor mental health has risen from 9 per cent in 2011 to 14 per cent in 2024.

Closing the Gap is largely stalled, with just four of the targets with data on track. The First Nations infant mortality rate has improved slightly, from 6.0 to 5.7 per 1,000 live births, but remains nearly double the non-

Indigenous rate of 3.0.²⁰ Consistent progress depends on genuine First Nations agency over the decisions that affect them, and we remain a long way from that. The Indigenous business sector already generates more than \$16 billion in annual revenue,²¹ even as First Nations people remain almost twice as likely to be outside the labour force.

Policy developments

Policy activity over the past 12 months remains narrow relative to need:

- The boosted access to social housing for those on Youth Allowance and ABSTUDY at risk of homelessness was welcome but reaches only a small share of young people.
- Planned review of employment services, the biggest reform in 30 years.
- The effective suspension of the Targeted Compliance Framework, with payment penalties paused after the Commonwealth Ombudsman found the system was operating outside the law.
- On Closing the Gap, the Remote Jobs and Economic Development Program, which has supported approximately 1,700 jobs against a 3,000 target by 2027, and the Low-Cost Essentials Subsidy Scheme across 117 remote stores.

Goal 5 - Disadvantage and opportunity

Priorities for progress

A strong social compact is not charity; it is the floor that lets people participate, take risks and recover from shocks. Right now, that floor is too low, and the costs show up later in lost participation and productivity. Priorities include:

- Strengthening the safety net by lifting the adequacy of JobSeeker, Youth Allowance and the Remote Area Allowance toward a basic living standard.
- Adopting an official measure of poverty and committing to a meaningful reduction in its incidence.
- Reforming employment services, including permanently replacing the Targeted Compliance Framework, so the system helps people into work rather than penalising them.
- Enabling consistent and genuine First Nations agency over the decisions that affect them, the precondition that evidence repeatedly identifies for real progress.

The prize is not only fairness but empowerment and growth. First Nations economic participation, built on a \$16 billion business sector, is among the clearest examples of disadvantage and opportunity being two sides of the same coin: enable empowerment and agency, and the dividends in participation, productivity and resilience follow.

CEDA member perspective

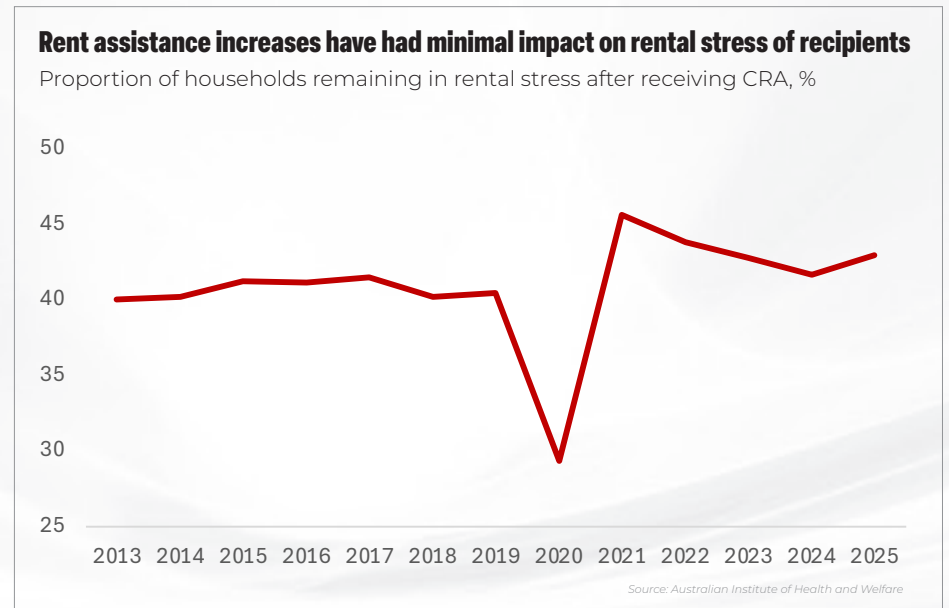
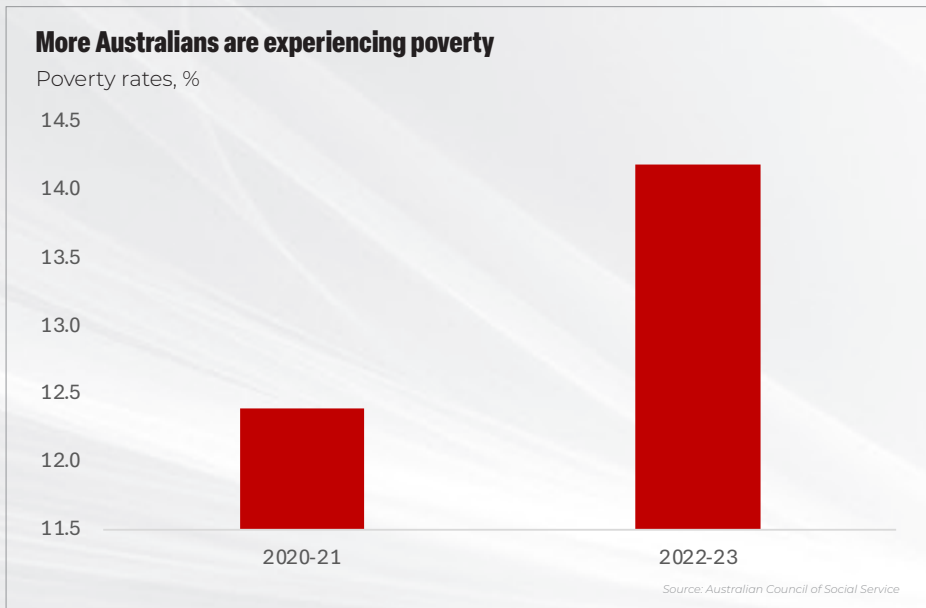
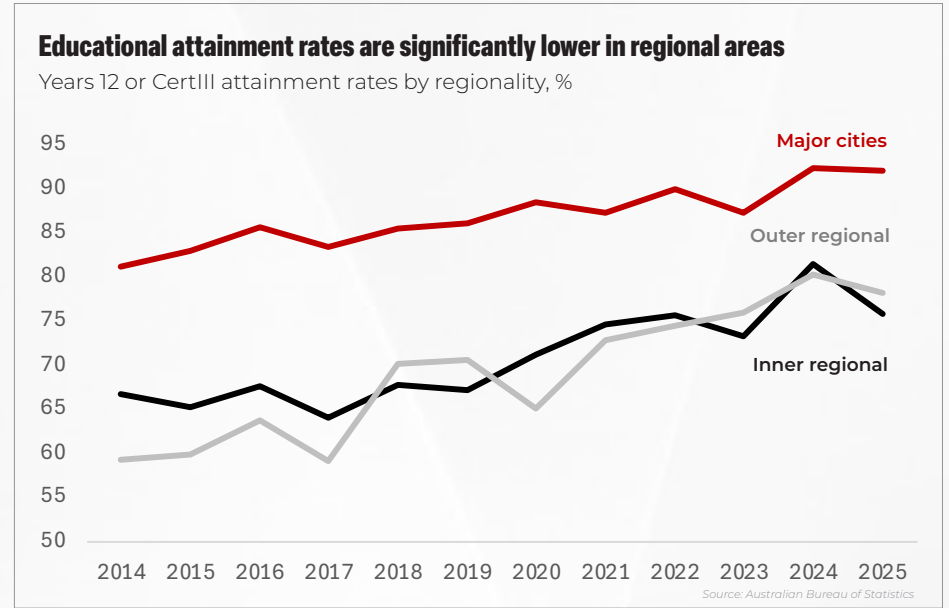
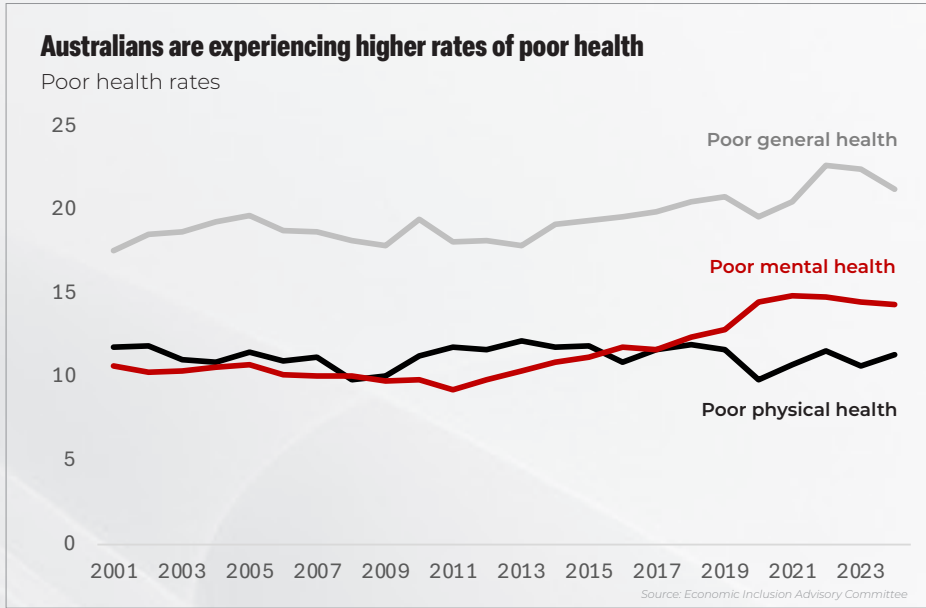
“Australia’s community and care economy continues to grow as they support people at every stage of life. Whether it’s caring for our ageing loved ones, enriching our children through early learning, or providing financial aid in times of hardship – this sector delivers visible, meaningful impact – making them essential to a prosperous future for our nation.”

Tamara Thomas

National Director
UnitingCare Australia



Wellbeing is declining and **hardship is rising** across most measures



Australia's success is characterised by the **vibrancy and diversity** of our workplaces and society

Current state

An Australia that celebrates difference and empowers everyone to participate fully is a more prosperous Australia. This principle is fundamental to our social compact and central to a strong economy. There are reasons for both optimism and realism:

- Female workforce participation hit a record 78 per cent last year.²²
- CEDA's research shows participation of carers and people with disability has gained ground as flexible work removes barriers.
- The Diversity Council's 2025-26 Inclusion@Work Index finds 62 per cent of workers report their organisation takes diversity and inclusion action, up six points, with tangible benefits for wellbeing.²³
- People with disability remain almost 25 percentage points less likely to participate in the workforce.²⁴
- Women earn 11.5 per cent less than men in average weekly earnings.²⁵

Inclusion is far from settled. The Royal Commission on Antisemitism and Social Cohesion shows the incidence and impact of antisemitism. The Human Rights Commission's Respect at University reports high rates of racism on campus, and a Joint Parliamentary Inquiry has heard accounts of racism, hate and violence directed at Aboriginal and Torres Strait Islander people.

Policy developments

The past two years have seen policy and institutional responses:

- The Royal Commission on Antisemitism and Social Cohesion, established in January 2026 after the Bondi attack, delivered an interim report with 14 recommendations in April and is due to deliver the final report in December 2026, with the Government having already responded to the interim findings.
- Introduction of the National Anti-Racism Framework, the Human Rights Commission's ten-year roadmap with 63 recommendations across justice, health, education, workplaces and media to address systemic racism.
- The Fair Work Commission's gender undervaluation decision lifted pay across five female-dominated award sectors and the continued Workplace Gender Equality Agency publication of employer gender pay gaps has seen most employers narrowing their gap year on year.
- Positive steps on skills recognition and labour mobility, including a new trade skills assessment system that begins to address migrants working below their qualifications.

Goal 6 - Inclusion and equity

Priorities for progress

Inclusion is not a soft adjunct to economic policy. A more inclusive economy draws on a broader base of skills, sustains stronger communities and is more resilient to shocks.

Priorities include:

- Acting on the recommendations of the Antisemitism Royal Commission and the National Anti-Racism Framework, so institutional responses translate into measurable change.
- Closing the disability participation gap and sustaining the flexible-work gains that have widened access for carers and people with disability.
- Continuing to narrow the gender pay gap through transparency, targets and the care-sector wage decisions.
- Putting migrants' skills to work, for their benefit and the nation's, through faster recognition of overseas qualifications, an opportunity CEDA estimates could add around \$70 billion to GDP over the next decade.²⁶

Underlying all of these is social cohesion itself. Recent events have shown how quickly it can be tested, and how much it underpins both a confident economy and a fair society. Protecting it is not a task for government alone, but for business, communities and institutions acting together.

CEDA member perspective

***“Inclusion, diversity, and equity are not just indicators of how well we’re performing as a society. When actioned with meaning, they are drivers of long-term economic prosperity. Across corporate Australia, we still see a strong commitment to policies and practices that support vibrant workplaces and communities.*”**

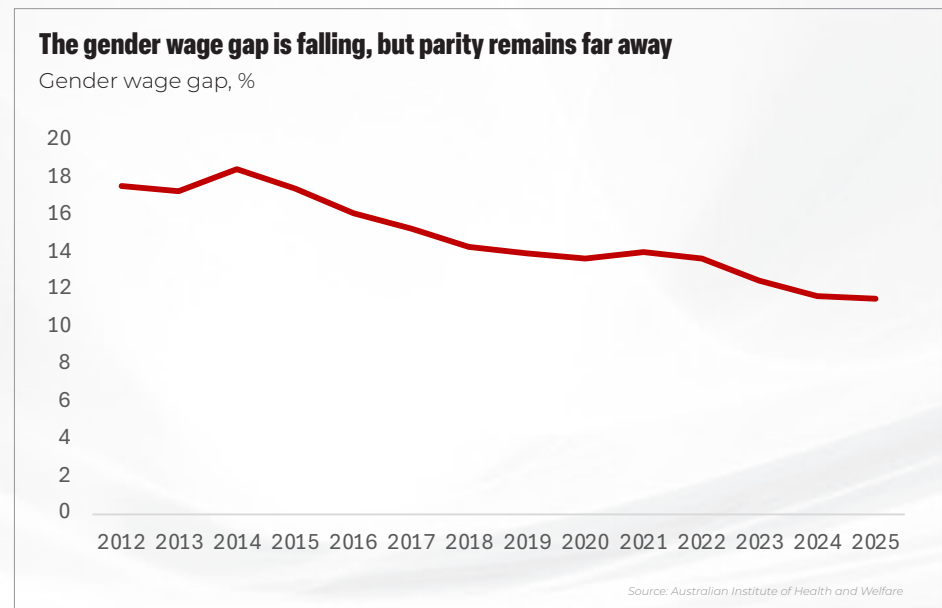
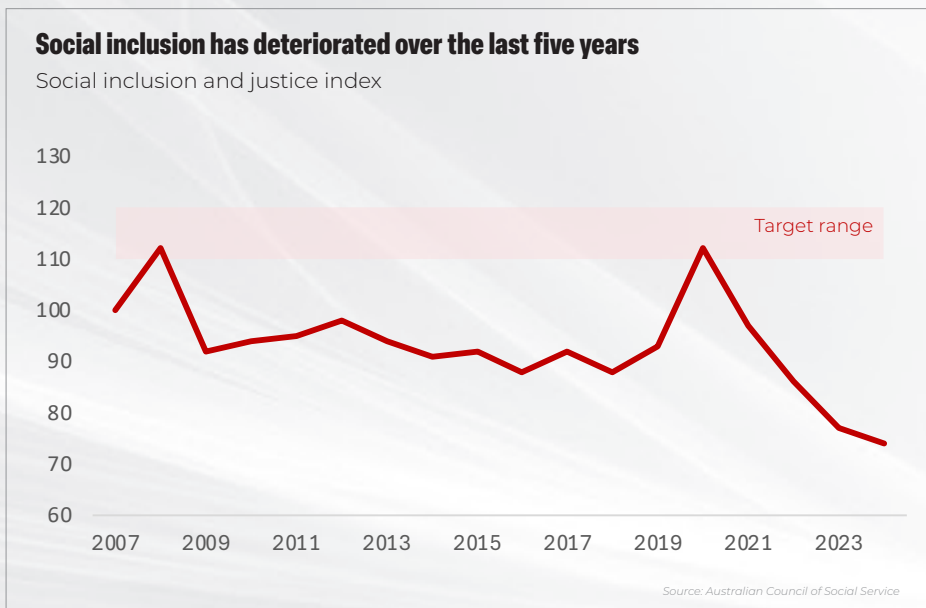
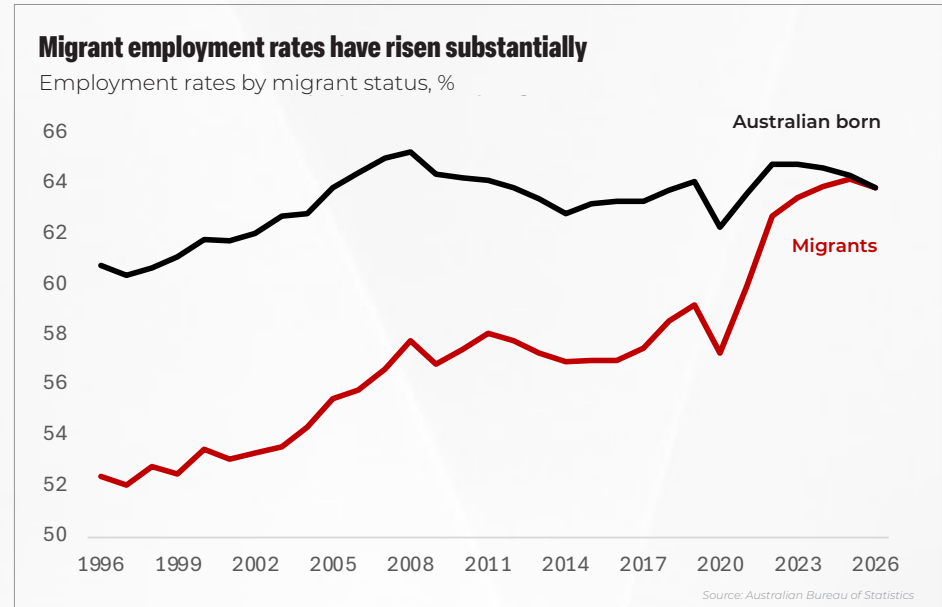
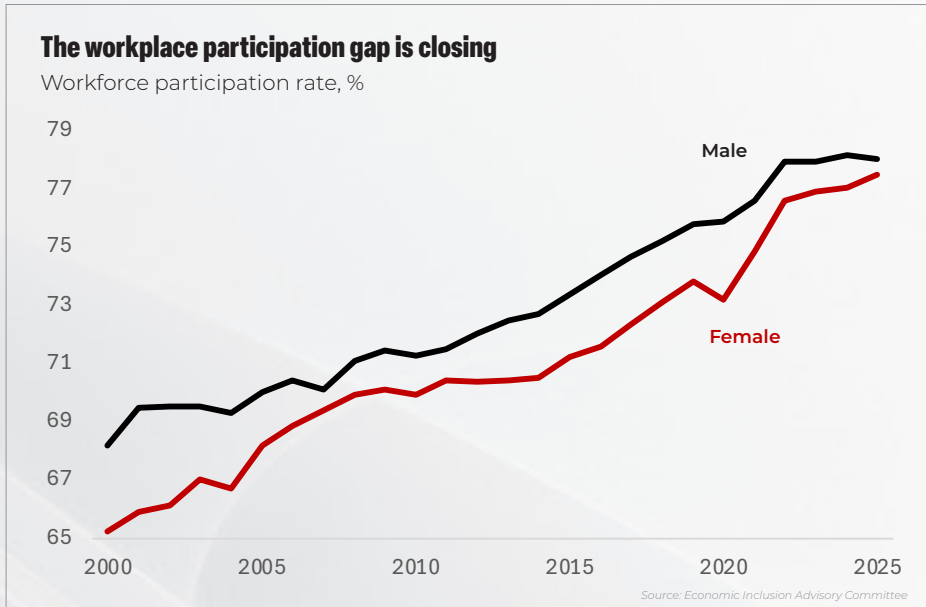
If you want to attract the best and brightest talent, you need to be inclusive.”

Amy Lomas

Chief Economist | Partner,
Capital Projects & Infrastructure
PwC Australia



Real gains in inclusion are tempered by growing pressures on social cohesion



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