

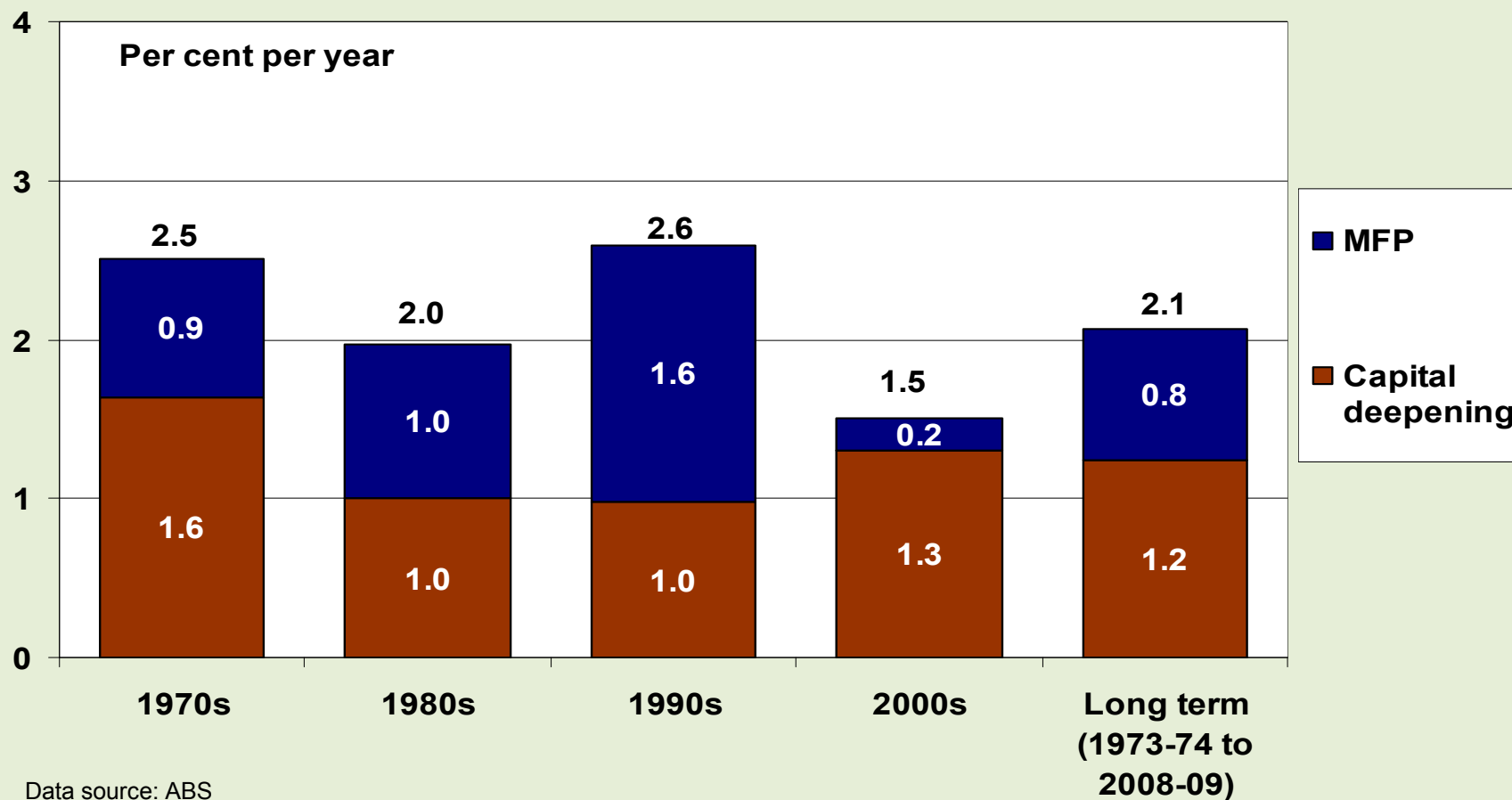
Statistics, productivity and reform

Gary Banks AO
Chairman, Productivity Commission, Australia

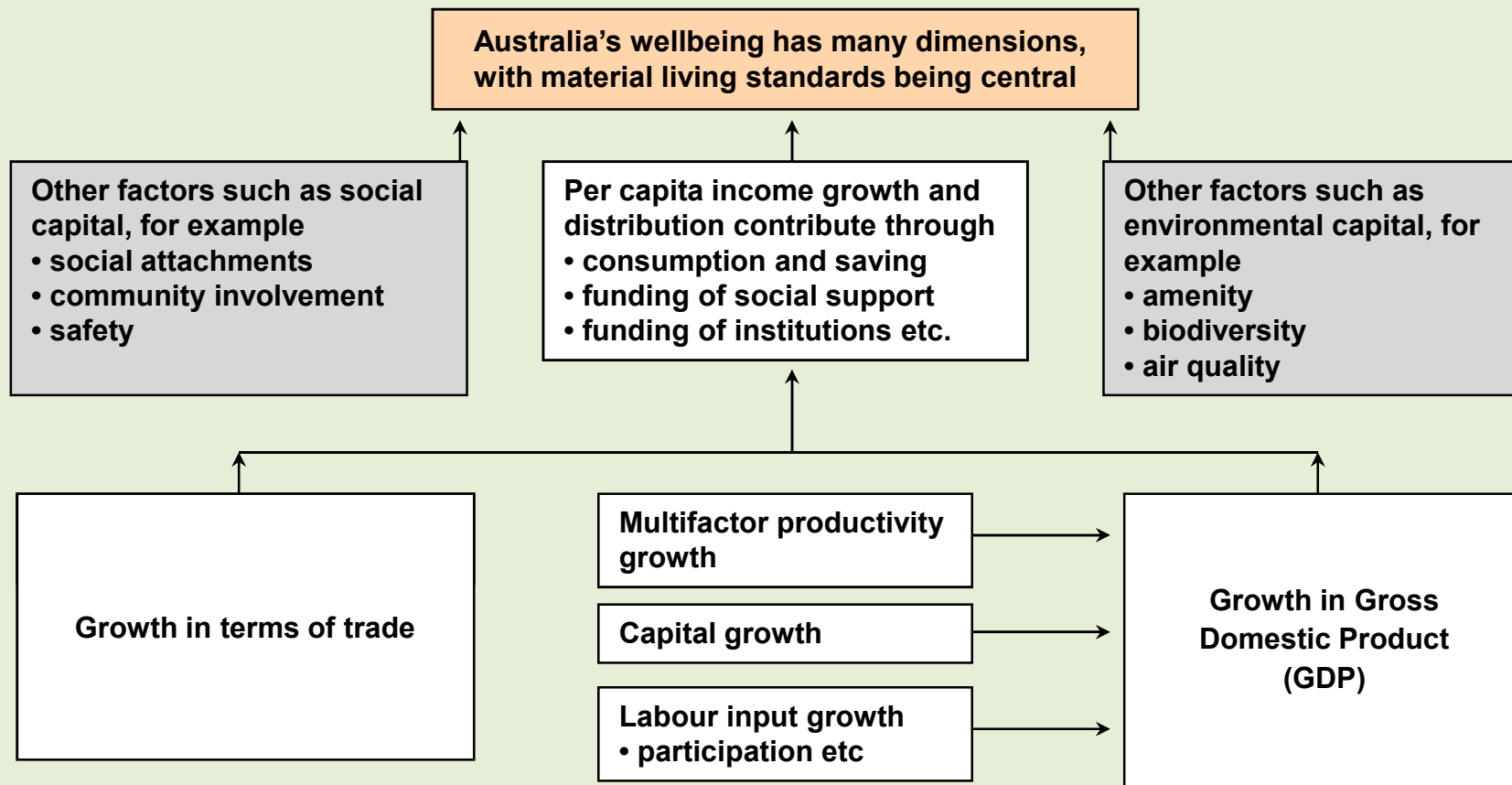
New Zealand Official Statistics Forum 2010
Wellington, 24 March 2010

Labour productivity growth has capital deepening and MFP components

Australia

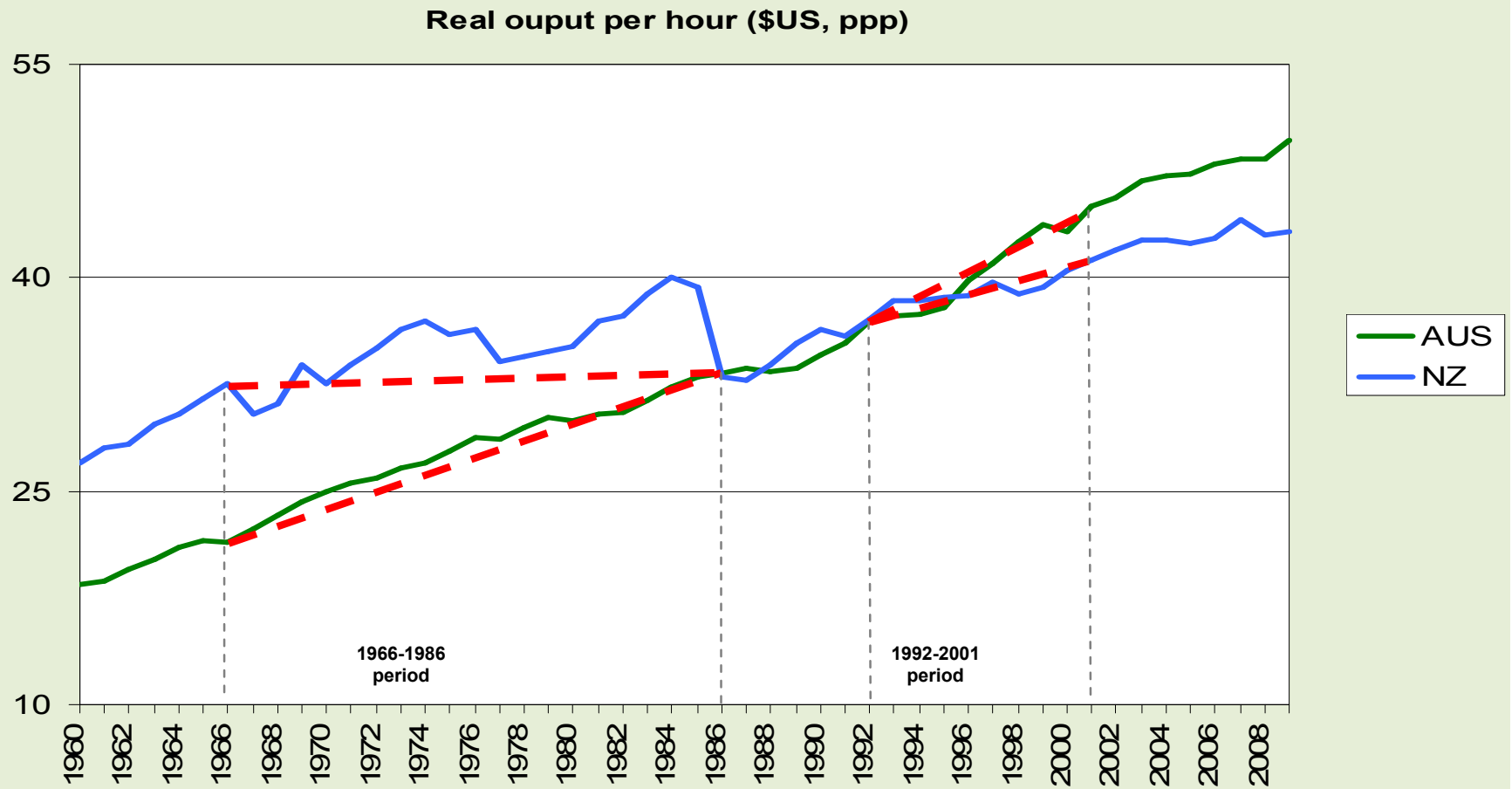


How productivity growth contributes to per capita income and thus to wellbeing



Source: Productivity Commission

Gap in economy-wide labour productivity (\$US PPP) between Aust and NZ (2010 data)



Data source: The Conference Board and Groningen Growth and Development Centre (2010)

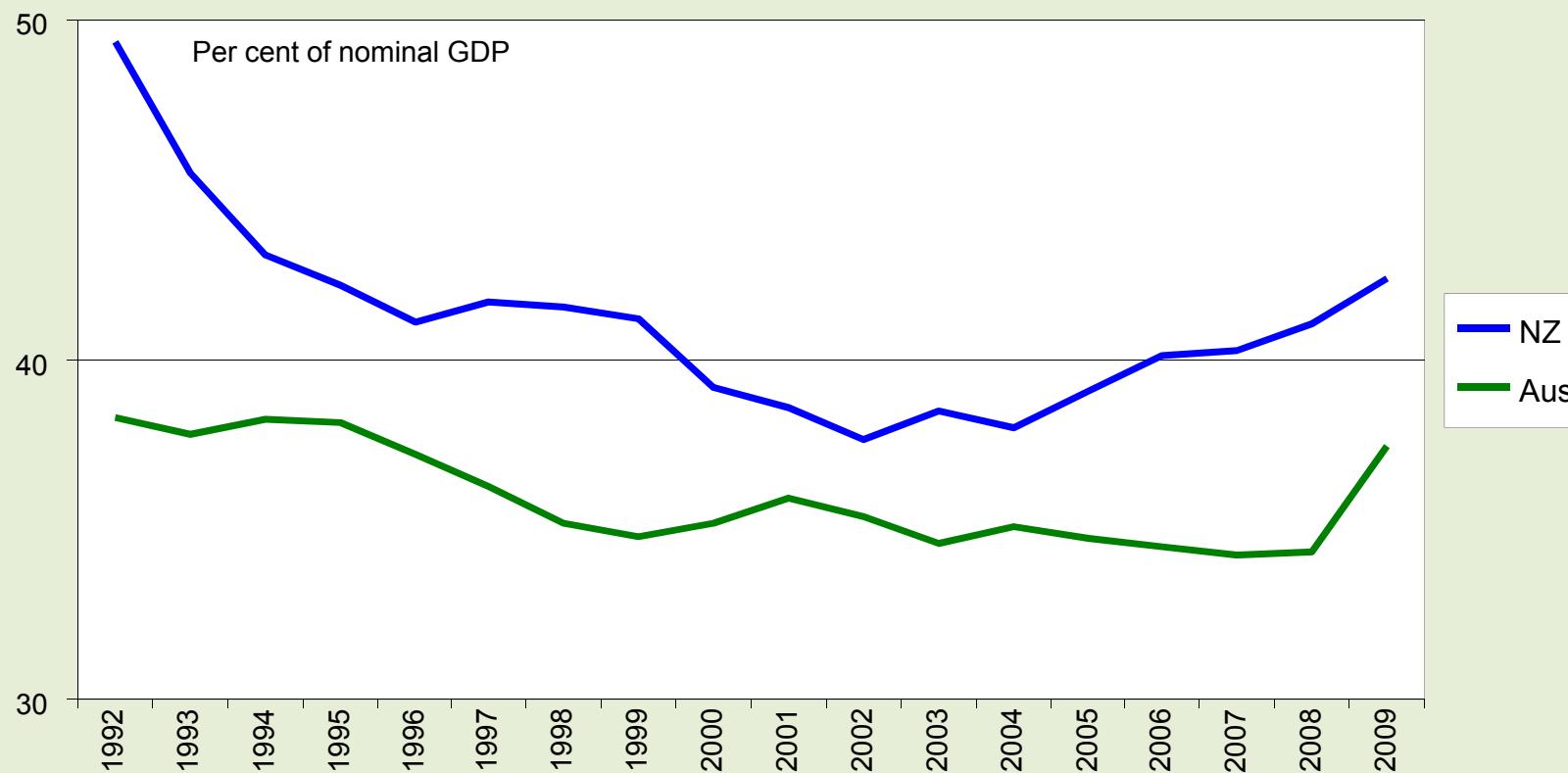
'Market sector' productivity growth rates are similar (1978-2009)

Variable	Australia %	New Zealand %
Labour productivity	2.0	2.1
Multifactor productivity	0.8	1.0
Value added	3.1	2.4
Labour input	1.1	0.3
Capital input	3.9	3.0
<i>Total inputs</i>	<i>2.3</i>	<i>1.4</i>

Data source: ABS and Statistics NZ

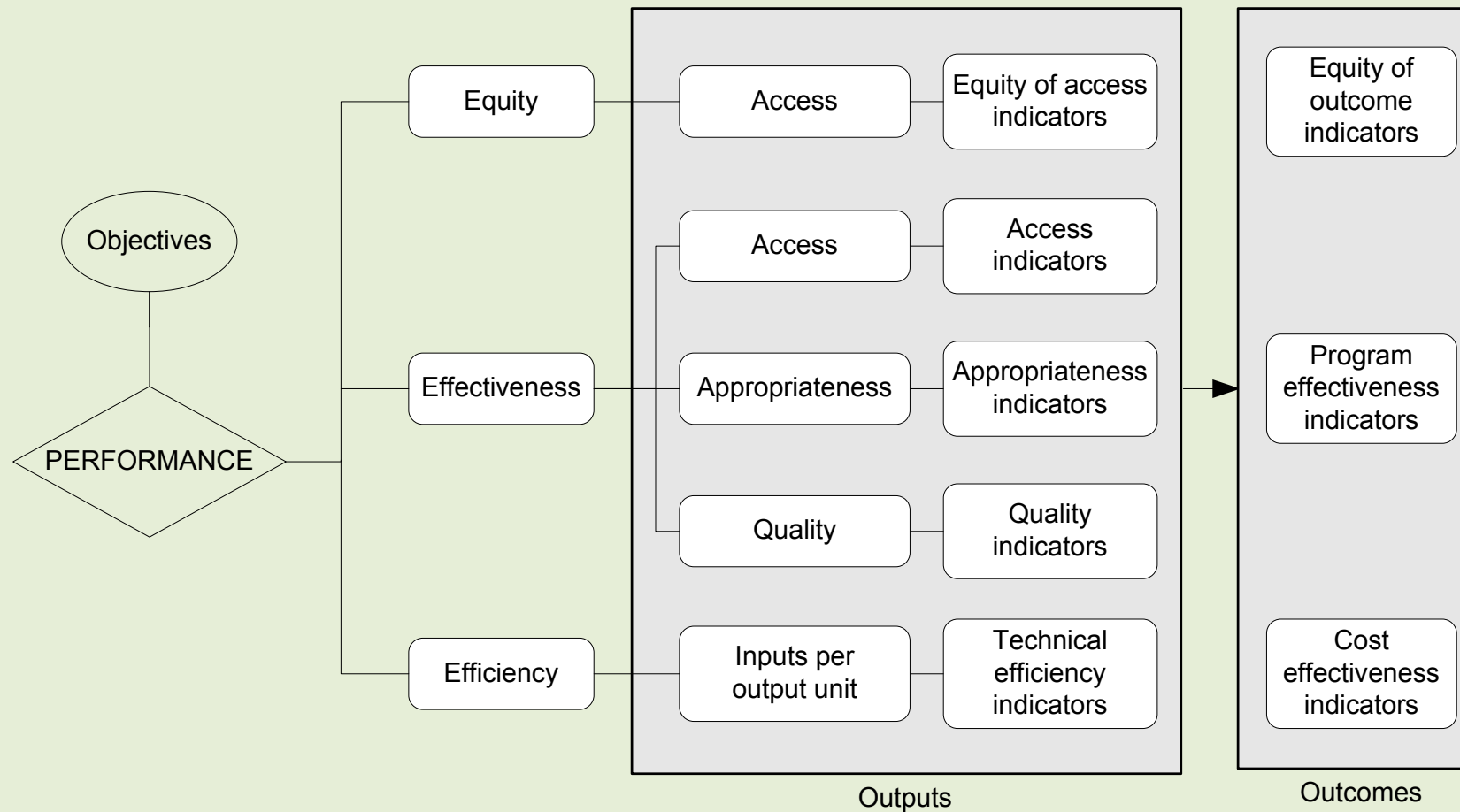
New Zealand has a larger Government sector

General government outlays

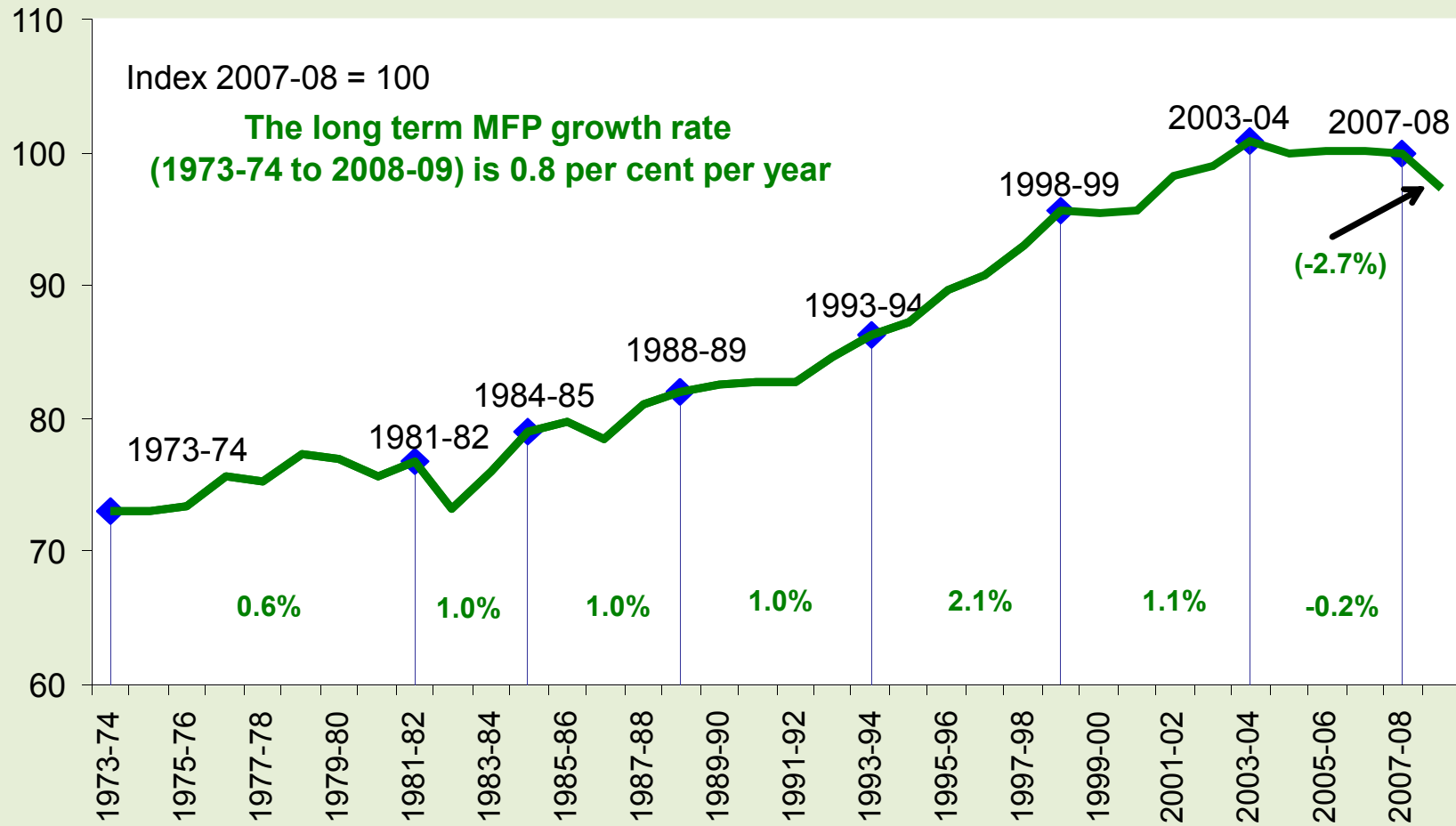


Data source: OECD

Review of Government Services: Performance indicators framework

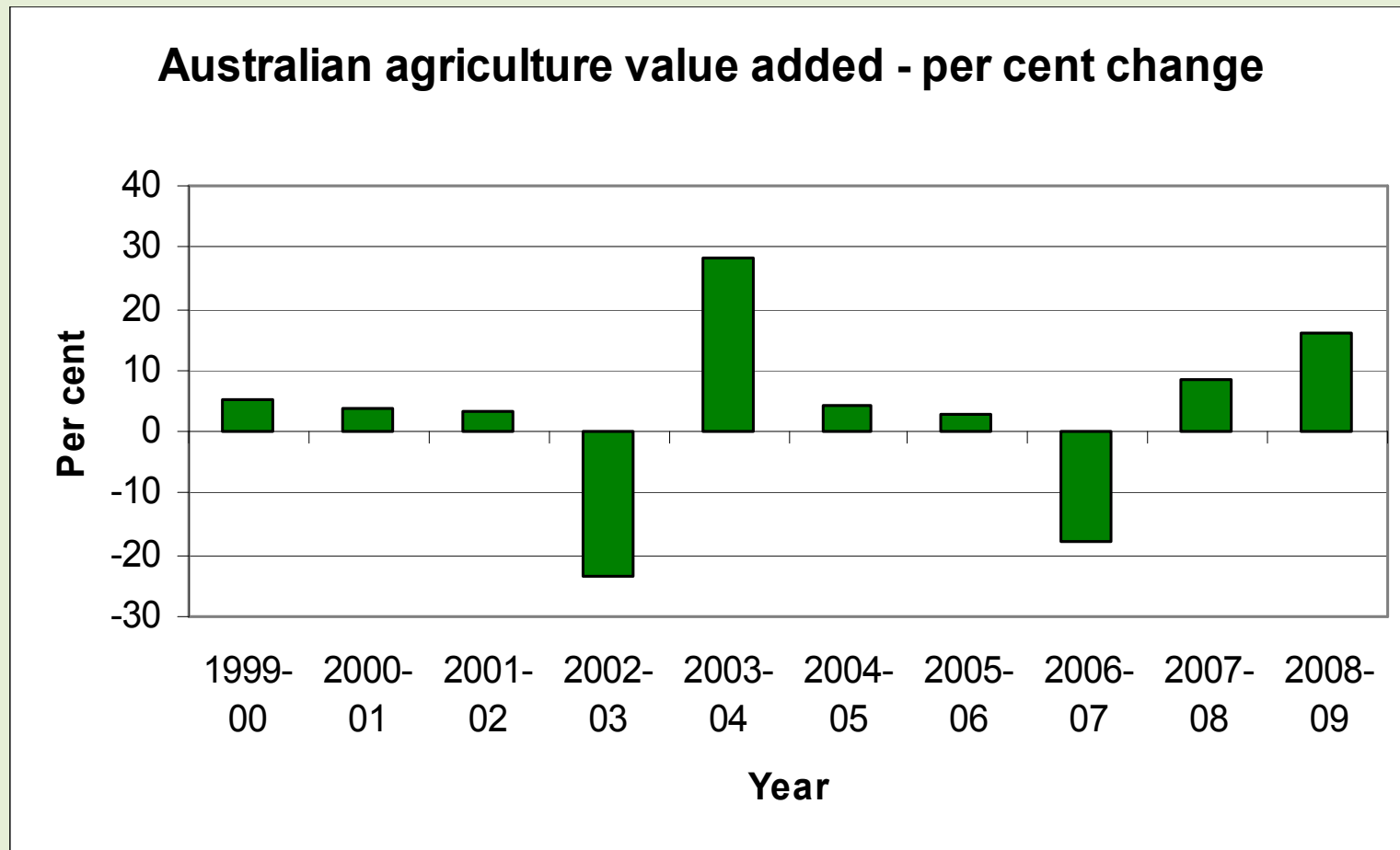


Australian market sector MFP by growth cycles



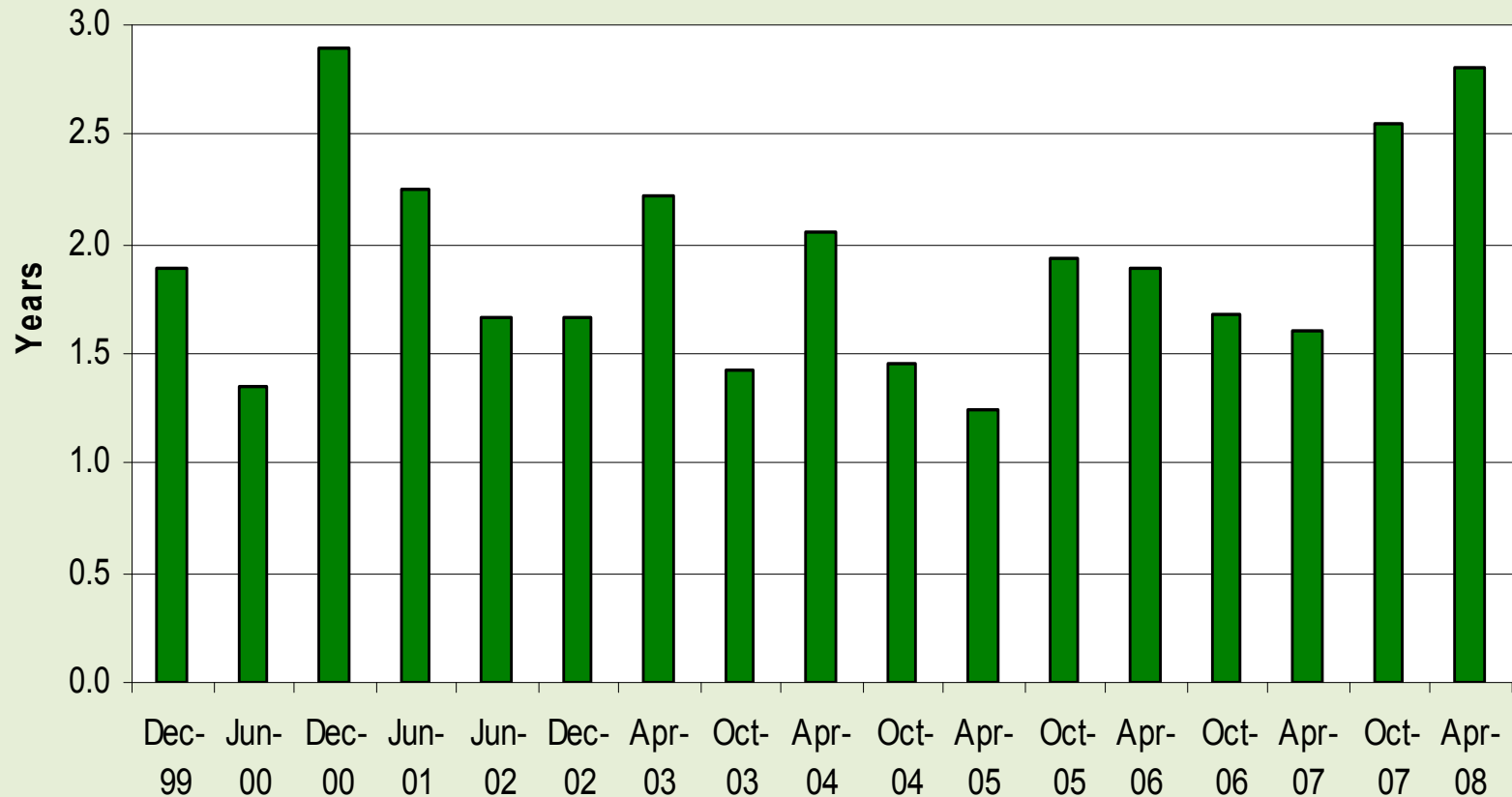
Data source: ABS

Droughts have resulted in large contractions in agricultural output



Data source: ABS

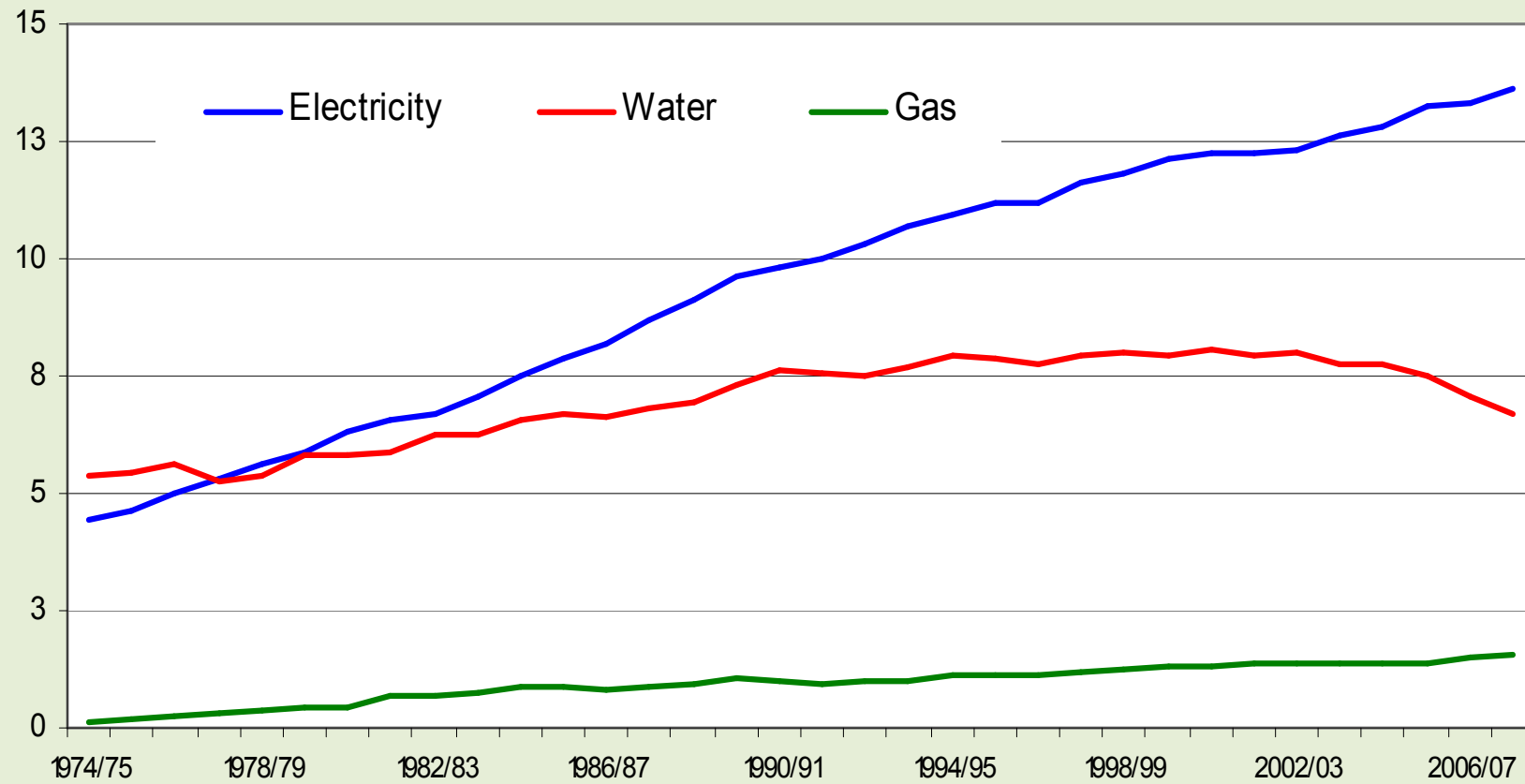
Average construction time of new mineral and energy projects in Australia



Source: Productivity Commission Staff Working Paper "Productivity in the Mining Industry"

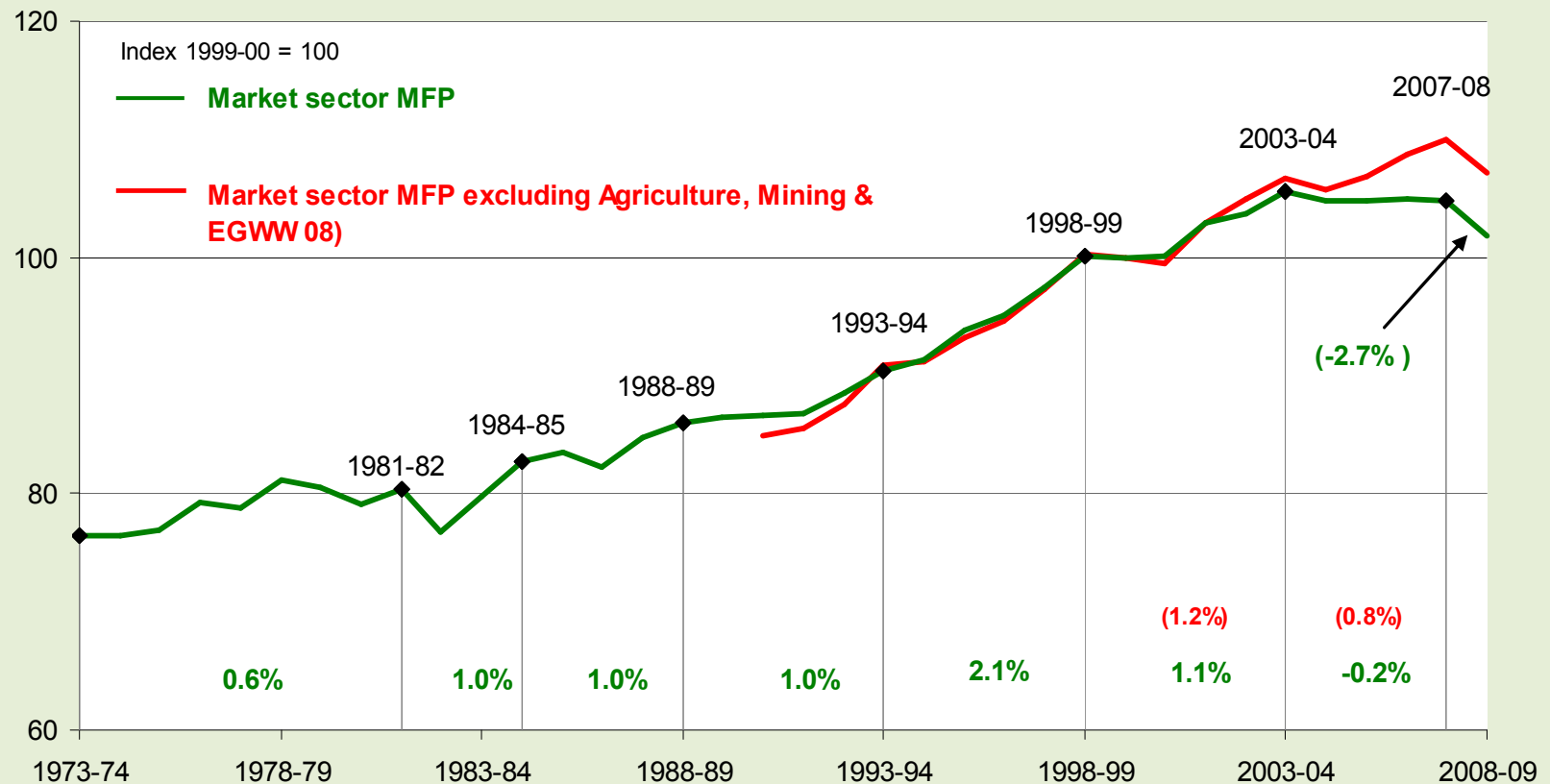
Value added rose for energy, but fell for water

Chain volume \$000 (2006)



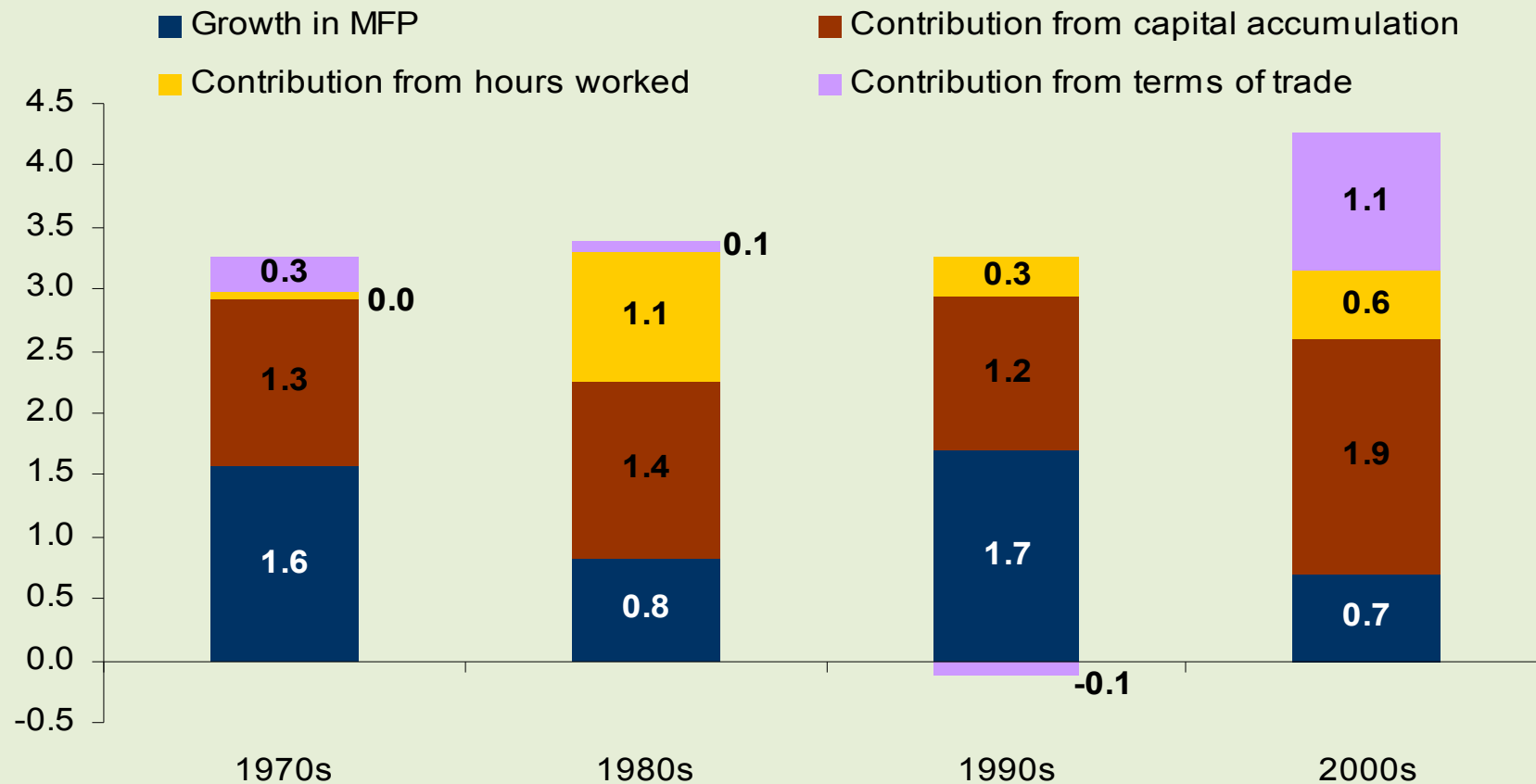
Data source: ABS

The 3 sectors account for ¾ of the fall in MFP growth in latest cycle



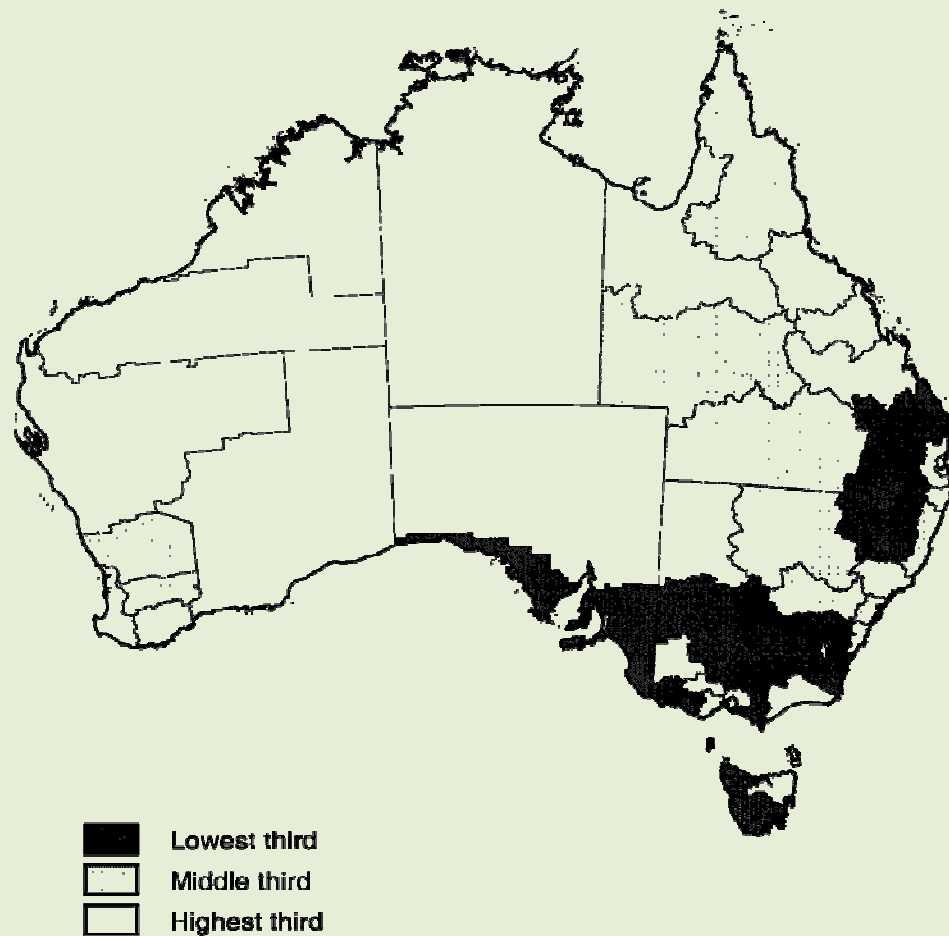
Source: ABS and Productivity Commission estimates

Contributors to growth in real gross domestic *income*



Source: ABS and Productivity Commission estimates

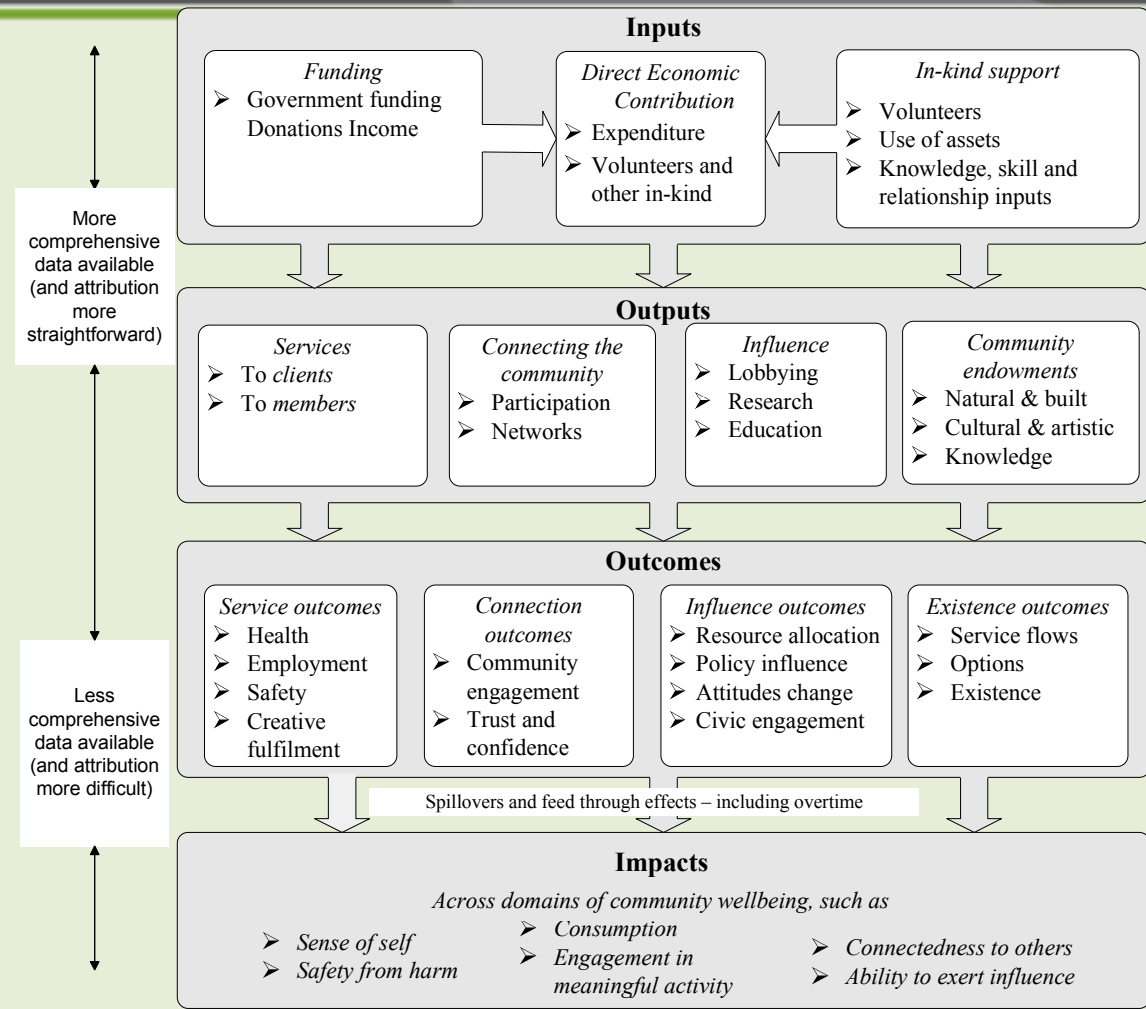
All regions had output gains from NCP – some more than others



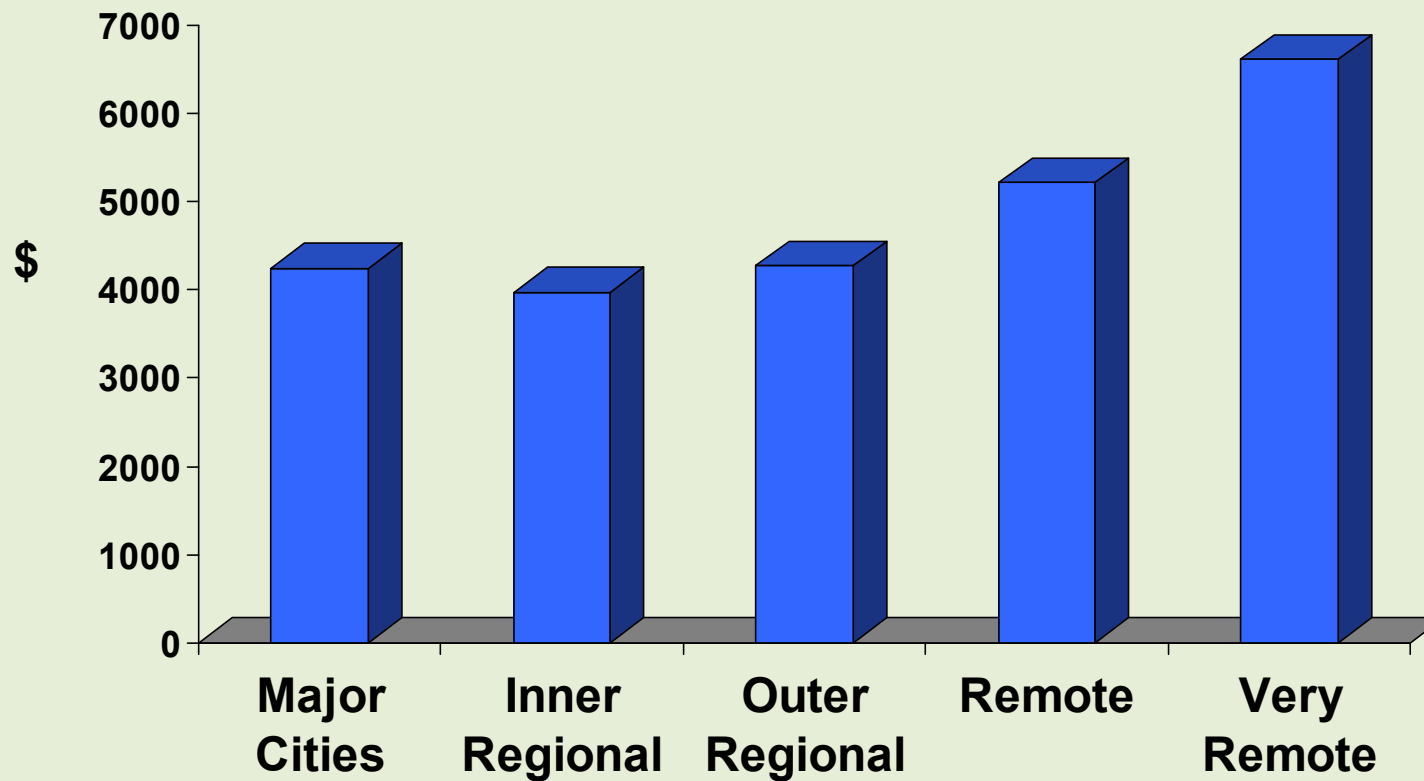
Potential 'outer envelope' GDP gains from the National Reform Agenda

	\$bn	%
• Competition stream	4	1/2
• Red Tape	13	1 1/3
• Health service productivity	4	1/2
<hr/>		
• Workforce participation	60	6
• Workforce productivity	25	3

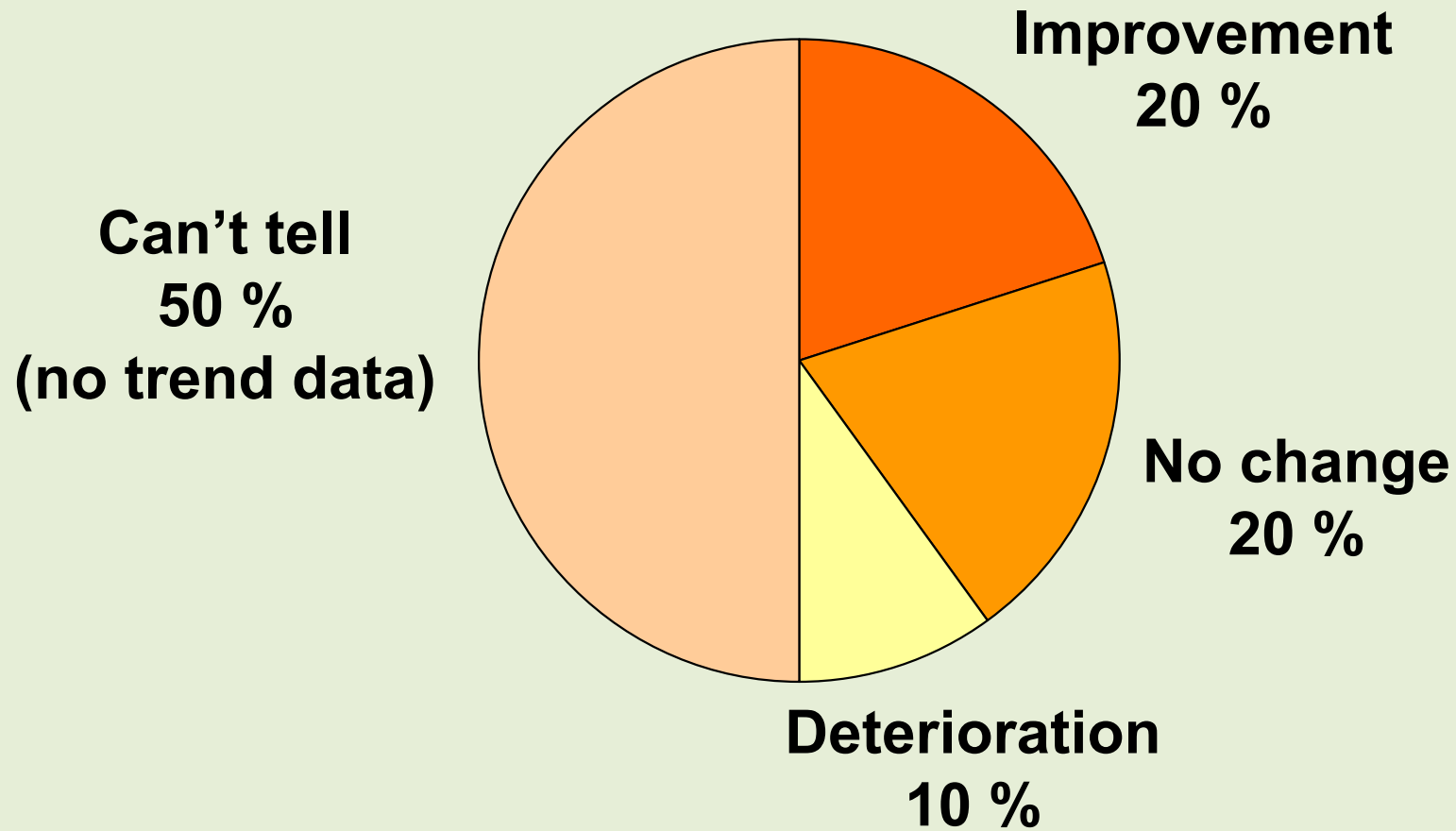
A framework for measuring the contribution of the not-for-profit sector



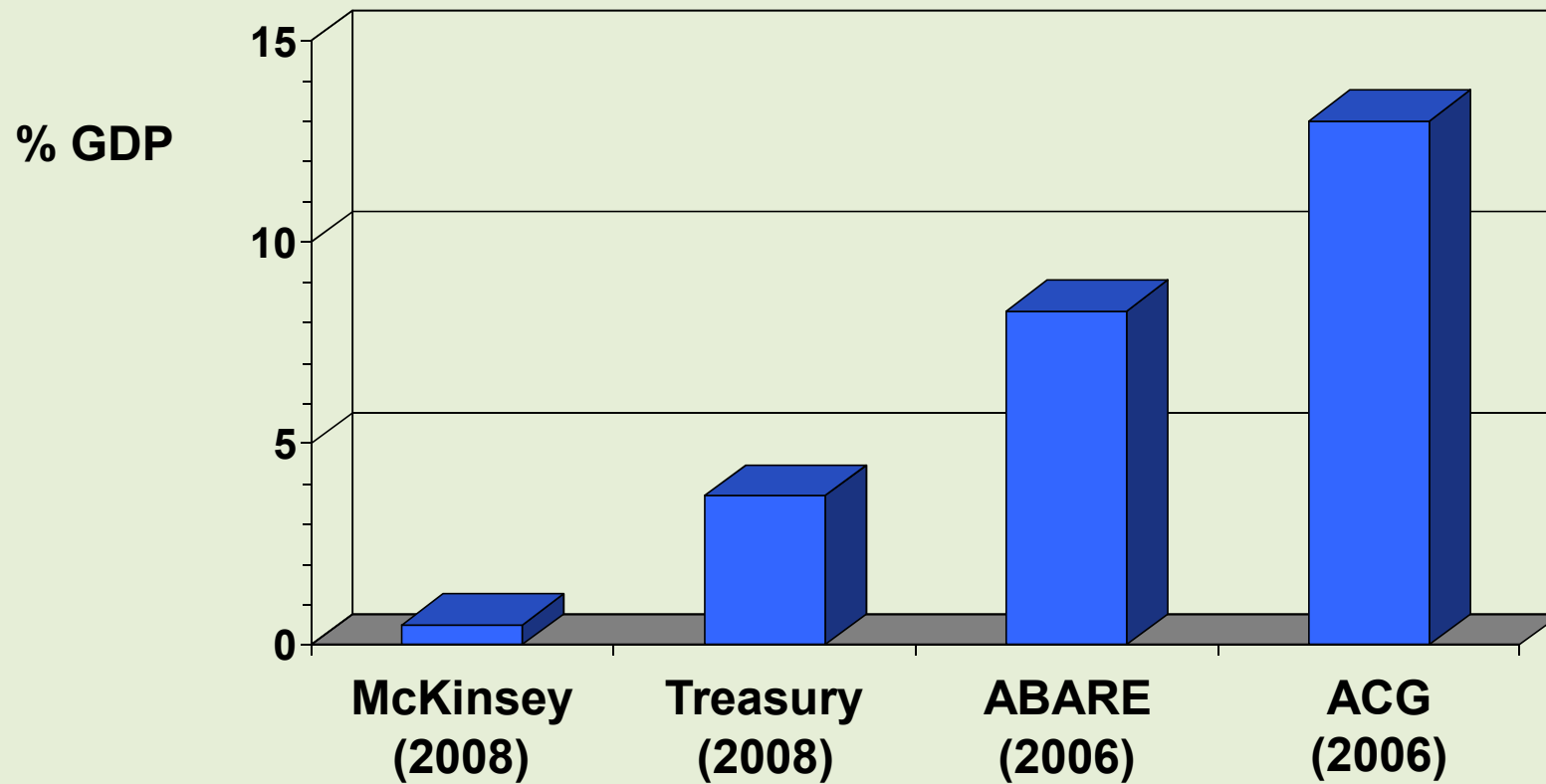
Cost per 'case mix-adjusted' public hospital separation, by region



Are we closing the gap for Indigenous Australians? – 50 indicators



Estimates of mitigation costs vary (a lot)



**For information about the Commission and
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