

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Supplementary Budget Estimates

17 October – 18 October 2012

Question: SBT 79

Topic: Multi-Factor Productivity Estimates

Written: Received from Committee – 26 October 2012

Senator MILNE asked:

79. The ABS publishes measures of multi-factor productivity, which are an improvement on just looking at labour productivity. But they would more accurately be called 'bi-factor productivity' as they only look at two inputs: labour and produced capital. Are there any plans to produce multi-factor productivity estimates that also include inputs of natural and environmental resources?

Answer:

79. The ABS's multi-factor productivity (MFP) statistics include measures of produced capital, labour, intermediate inputs and stock of agricultural and non-agricultural land.

The ABS has no plans to produce multifactor productivity estimates that include inputs of natural and environmental resources. The ABS's ongoing research program into improving the measurement of productivity is reviewed annually after consultation with key stakeholders, including the Productivity Commission.