

**Senate Standing Committee on Economics**

**ANSWERS TO QUESTIONS ON NOTICE**

**Treasury Portfolio**

Budget Estimates

29 May – 31 May 2012

**Question: BET 170-172**

**Topic: Relative Productivity Analysis**

**Hansard Page: Written**

**Senator SINODINOS asked:**

170. Does the Productivity Commission conduct any relative productivity analysis? I.e. the Productivity Commission compare productivity in Australia against major economic competitors such as the United States or China?

a) For example, how productive is Australia in producing a tonne of steel relative to producing a tonne of steel in China?

171.

a) If so, is the Productivity Commission able to indicate Australia's relative (macro-economic) productivity with the following countries:

- I. United State of America;
- II. Israel;
- III. China;
- IV. India;
- V. Vietnam;
- VI. Philippines;
- VII. Thailand;
- VIII. South Korea
- IX. Malaysia;
- X. Japan;
- XI. Brazil; and
- XII. Mexico.

b) Is the Productivity Commission able to provide a relative productivity measure at a sectoral or microeconomic level between Australia and the countries listed in part (a) of this question?

172. Is the Productivity Commission aware are any studies that look at relative productivity analysis?

**Answer**

170. The Commission has in the past undertaken some comparative analysis of Australian productivity, —for example, *Can Australia Match US Productivity Performance* ( staff working paper 2007) and *Productivity growth and its sources: How do NZ and Australia compare?* ( conference paper 2004). However, the Commission's current productivity analysis research program is focused on understanding industry level trends in Australia

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(with studies on mining, and electricity, gas and water completed, and a study on manufacturing currently underway).

Although routine international comparisons do not form part of the Commission's supporting research program, international comparisons occasionally are undertaken for a commissioned study or inquiry. For example, the *Economic Structure and Performance of the Australian Retail Industry* (Inquiry report 2011) provides a snapshot of Australia's retail labour productivity relative to 12 OECD countries (for 2007). The Inquiry into Australia's Black Coal Industry (1998) incorporated a benchmarking study of Australian and US coal mining work practices.

171. a) The Commission does not undertake this analysis.  
b) No.
172. There are a number of international databases (e.g. the Conference Board Total Economy Database, EU KLEMS Growth and Productivity Accounts, OECD.Stat and U.S. Bureau of Labour Statistics Database) that may allow comparisons of labour productivity at a sectoral level. To our knowledge no comparisons are produced on a routine basis, in part due to comparability issues and in part to long lags in data availability (for example, the latest KLEMS data for Canada is 2004).