
E Supporting research and related activities

The Commission's supporting research program encompasses a range of activities. This appendix provides brief summaries of Staff Working Papers released in the year. It also lists the presentations given by the Chair, Commissioners and staff to parliamentary committees, conferences and industry and community groups in 2012-13, as well as briefings to international visitors.

Staff working papers

Note: The views expressed in staff working papers are those of the authors and do not necessarily reflect the views of the Productivity Commission.

Trends in the Distribution of Income in Australia

Jared Greenville, Clinton Pobke and Nikki Rogers, March 2013

The paper examines the recent trends in Australia's individual and household income distributions. It examines the proximate factors that help explain aggregate trends to provide a more detailed understanding of the composition of the income distribution (in terms of both the groups represented within it and the different kinds of income they receive). It also examines whether the Australian experience mirrors general trends across OECD countries.

- Between 1988-89 and 2009-10, the incomes of individuals and households in Australia have risen substantially in real terms and in comparison to trends in other OECD countries, with particularly strong growth between 2003-04 and 2009-10.
 - The increase has mainly been driven by growth in labour force earnings, arising from employment growth, more hours worked (by part-time workers) and increased hourly wages.
- While real individual and household incomes have both risen across their distributions, increases have been uneven.

-
- The rate of growth has been higher at the ‘top end’ of the distributions than the ‘bottom end’.
 - Incomes for those in the middle of the distribution have spread out (that is, they have become less concentrated around the average).
 - These changes underlie the recently observed increases in summary measures of inequality (such as the Gini Coefficient) in Australia for individual and household incomes.
 - At the individual level, the key drivers are the widening dispersion of hourly wages of full-time employees and (to a lesser extent) the relatively stronger growth in part-time employment.
 - At the household level, the key driver has been capital income growth amongst higher income households. The impact of growing dispersion of hourly wages on the distribution of labour income has been offset by increased employment of household members including a decline in the share of jobless households.
 - Final income is also influenced by government taxes and transfers. These have a substantial redistributive impact on the distribution of household income, substantially reducing measured inequality.
 - Although the progressive impact of the tax and transfer system declined slightly from the early 2000s (with the introduction of the GST and a fall in the number of recipients of government benefit payments associated with higher employment), real growth in the value of direct and indirect transfers contributed to growth in incomes for low income households.
 - The analysis highlights the need to examine the changes in various income components and population subgroups in order to understand the changes in the distribution of income and inequality measures such as the Gini coefficient.
 - Differences in individual income, and therefore household income levels, occur for a variety of reasons including personal choices and innate characteristics as well as opportunities and inheritances. These differences combine with broader economic forces and policy settings to influence the distribution of income over time.

Forms of Work in Australia

Anthony Shomos, Erin Turner and Lou Will, April 2013

The paper analyses changes in the prevalence of different forms of work in Australia over the decade to 2011, and explores possible explanations for observed changes.

- While employment in most forms of work (FOWs) grew in absolute terms over the decade to 2011, only permanent employees became more ‘prevalent’ (increased as a share of employment).
 - Owner managers of unincorporated enterprises (OMUEs) fell in prevalence by 2 to 3 percentage points, offsetting the increase for permanent employees.
 - Casuals and fixed-term employees were no more prevalent at the end of the decade than at the start. Labour hire workers probably became less prevalent, and it is likely that the workforce share of independent contractors also fell.
- Relatively rapid growth of casual and independent contractor employment from the 1980s, and labour hire workers from the 1990s, did not continue through the 2000s.
- In 2011, permanent full-time and part-time employees accounted for about 60 per cent of the workforce. Casual employees and self-employment accounted for a little under 20 per cent each. Fixed-term employees accounted for the small residual and labour hire workers (who are employed under a mix of FOWs) represented about 1 per cent of employment.
- Over the decade to 2011:
 - Increases in the prevalence of permanent employees were particularly strong in the mining states (Queensland, Western Australia and the Northern Territory).
 - Structural change at a broad industry level appears to have played little role in prevalence changes.
 - An increase in the employment share of higher-skilled jobs was associated with the increased prevalence of permanent employees.
 - Falls in the numbers of farmers and farm managers explain about half of the decline in the prevalence of OMUEs in the non-mining states.
 - The increased prevalence of permanent employees occurred disproportionately in part-time jobs and among workers aged 50 to 69.
- More pronounced prevalence changes in the mining states could have been related to:

-
- strong competition for workers encouraging greater job mobility. Hiring of permanent employees can mitigate costly turnover
 - greater confidence in business viability. A fall in the risk of layoffs, and associated redundancy costs, might have encouraged employers to offer more permanent employee roles.
 - At a national level, a preference for permanent employee roles rather than self-employment among some workers — accommodated by relatively strong labour markets — might have played a role in the fall in the prevalence of OMUEs.

Staff research notes

Note: The views expressed in staff research notes are those of the authors and do not necessarily reflect the views of the Productivity Commission.

On Efficiency and Effectiveness: some definitions

Various authors, May 2013

The terms efficiency and effectiveness are commonly used, yet often are applied in slightly and occasionally along with related concepts such as cost effectiveness and productivity.

This staff research note sets out how the Productivity Commission defines these terms along with related concepts such as cost effectiveness and productivity.

On sustainability: an economic approach

Ana Markulev and Anthea Long, May 2013

‘Sustainability’ is invoked as a desirable objective in a range of contexts, yet its meaning is not always clear. Sustainability can imply vastly different policy responses depending on interpretation, particularly in relation to the degree to which environmental and other resources should be consumed over time.

Using an economic framework for exploring the issues, this staff research note illustrates possible interpretations of sustainability and what they imply for policy analysis.

On productivity: the influence of natural resource inputs

Vernon Topp and Tony Kulys, June 2013

Multifactor productivity (MFP), which is measured as a residual (the growth in the volume of output not explained by the growth in the volume of labour and capital inputs), reflects other sources of change in the productive capacity of an industry or economy as well as technical change. This staff research note looks at the effect of one of these other possible sources of change — natural resource inputs.

Table E.1 Speeches and presentations by the Chair, Commissioners and staff, 2012-13

<i>Organisation/event</i>	<i>Topic</i>	<i>Date</i>
Gary Banks AO, Chair (until December 2012)		
Secretaries' Committee on Social Policy, Canberra	The challenges in assessing the productivity of the non-market sector.	July 2012
ACCC 2012 Regulatory Conference, Brisbane	Economic Reform and Infrastructure	July 2012
APSC 2012 Australian Government Leadership Network Conference, Melbourne	Securing (real) reform in 'interesting times'	Aug 2012
ASIC Senior Executive Leaders Forum, Sydney	Managing industry relationships & expectations to avoid perceptions of industry capture	Sept 2012
Institute of Public Administration Australia, Melbourne	Panel discussion at release of new Grattan Paper on role of think tanks in the development of public policy	Sept 2012
COAG Reform Council, Melbourne	Designing regulatory reform for a federal system	Sept 2012
Department of Human Services Strategic Policy Seminar Series, Canberra	Public trust in Government	Sept 2012
OECD Global Forum on Public Governance, Paris	Towards New Economic Thinking: Role of governance in promoting inclusive growth	Nov 2012
ACT Economic Society, Canberra	Tricks and Traps of the Inquiry Trade	Nov 2012
World Trade Organisation Senior Management Retreat, France	Measuring performance and managing public resources	Nov 2012
Economic & Social Outlook Conference 2012,, Melbourne	Productivity policies: the 'to do list'	Nov 2012
Peter Harris AO, Chair (current)		
IPAA Regional Conference, Wagga Wagga	An overview on utilising technology to innovate the design and delivery of large projects	March 2013
National Security College strategy planning and implementation in the National Security Community Session Plan, Canberra	Implementing Strategy: the NBN Network	April 2013
The 'Productivity Agenda' Conference, Sydney	The Productivity Reform Outlook – creating an expectations effect in support of continuous reform	May 2013

ACCC Senior Management Conference, Melbourne	The next twenty years	May 2013
GAP/ACHR Conference on Productive Ageing, Sydney	Productive Ageing	May 2013
ACCI Productivity Leadership Forum, Canberra	The importance of key drivers of productivity	June 2013
CEDA State of the Nation Conference, Canberra	Setting the scene: the economy, productivity and structural reform	June 2013
Commissioners:		
Retail Council first meeting, Sydney (Philip Weickhardt)	Commission's inquiry into the Economic Structure and Performance of the Australian Retail industry	July 2012
Australian Economic Forum, Sydney (Philip Weickhardt)	Energy Pricing Session	July 2012
15th National Conference on Generation Next 2012, Sydney (Mike Woods)	Case management pursuant to the Caring for Older Australian's Report	July 2012
Annual General Meeting of Australian Social Policy Association, Melbourne (Alison McClelland)	Enhancing rights and protections but what about capability?	July 2012
Australian Better Boards Conference, Melbourne (Robert Fitzgerald)	Not for profit reform	July 2012
Australia Health Informatics Conference, Sydney (Mike Woods)	Health care informatics: a productivity driver	July 2012
Financial Services Council Annual Conference 2012, Gold Coast (Mike Woods)	Default Superannuation funds in modern awards	Aug 2012
Regulation & Reform: IMPART after 20 years, Sydney (Wendy Craik)	Commission's inquiry into Australia's Urban Water Sector	Aug 2012
ACCORD, Canberra (Mike Woods)	Revisiting the 2008 Productivity Commission Report on chemicals and plastics regulation	Aug 2012
Australia-Israel Chamber of Commerce (SA) Luncheon Seminar, Adelaide (Wendy Craik)	The Commission's role and activities	Aug 2012
CEDA's the Aged Care continuum, Melbourne, (Mike Woods)	Aged Care Reform: unfinished business	Aug 2012
The Hawke Centre Horizon SA Forum Series, Adelaide (Wendy Craik)	Contemporary leadership in rural South Australia	Aug 2012

(Continued on next page)

Table E.1 (continued)

<i>Organisation/event</i>	<i>Topic</i>	<i>Date</i>
The power to persuade: building knowledge and capacity for policy change, Melbourne (Alison McClelland)	Improving policy and research interface	Sept 2012
CPA Australian Boardroom Lunch Forum, Canberra (Robert Fitzgerald)	Assurance vs. Efficiency	Sept 2012
Public Lecture: Climate, Sustainability and Society, Albury (Wendy Craik)	Commission's inquiry into Barriers to effective climate change adaptation	Sept 2012
16th International Congress of Dietetics, Sydney (Robert Fitzgerald)	Closing the Gap — Indigenous Health and Nutrition	Sept 2012
Energy Users Association of Australia Annual Conference, Sydney (Philip Weickhardt)	Commission's draft report on Electricity Regulation Network	Oct 2012
CEDA Lunch Meeting, Melbourne (Philip Weickhardt)	Commission's draft report on Electricity Regulation Network	Oct 2012
Health Workforce Australia's Inaugural conference – Inspire 2012: Reshaping Australia's Health Workforce, Melbourne (Mike Woods)	How to have the best workforce we can afford	Nov 2012
Institute of Public Affairs Energy Forum Lunch, Melbourne (Philip Weickhardt)	Commission's draft report on Electricity Regulation Network	Nov 2012
Children, Communities Connection Conference 2012, Adelaide (Robert Fitzgerald)	Human services reforms strengthening communities	Nov 2012
Australian Health Leaders Conference, Canberra (Mike Woods)	Making the case for change in the Australian Health Workforce	Nov 2012
South Island Social Service Providers Board, New Zealand (Robert Fitzgerald)	Improving productivity in NGOs and the sector: better values better outcomes	Nov 2012
Economic & Social Outlook Conference, Melbourne (Patricia Scott)	The Long Term View	Nov 2012
National Disability Service CEO meeting, Sydney (Robert Fitzgerald)	Reforming relationships with governments	Dec 2012
CEPAR Crawford Aged Care Policy Dialogue, Canberra (Mike Woods)	Challenges for Australian Policy	Dec 2012
NSW Public Sector Community of Interest on Behaviour Insights Breakfast Forum, Sydney (Mike Woods)	Behaviour insights	Dec 2012

2013 Supreme and Federal Courts Judges' Conference, Sydney (Robert Fitzgerald)	'The push for productivity — what is to be the judicial contribution?	Jan 2013
Probus, Sydney (Philip Weickhardt)	The Commission's role and activities	Feb 2013
ANU Seminar – Social Policy Lecture, Canberra (Alison McClelland)	Reflection on experiences in social policy over four decades	March 2013
CPR Association Forum, Canberra (Daryl Quinlivan)	Recent productivity performance	March 2013
SA Premier's Climate Change Council Meeting, Adelaide (Wendy Craik)	Commission's inquiry into Barriers to effective climate change adaptation	April 2013
SA Department of Manufacturing, Innovation, Trade, Resources & Energy, Adelaide (Wendy Craik)	Commission's draft report on Electricity Regulation Network	April 2013
Leaders for Leaders Forum, Adelaide (Wendy Craik)	Commission's inquiry into Barriers to effective climate change adaptation	April 2013
Staff:		
14th International Schumpeter Society Conference, Brisbane (Leo Soames)	An analysis of competition, innovation and productivity in Australia	July 2012
APEC ANSSR project development training program, Indonesia (Catherine Costa, Rosalie McLachlan, Anthony Housego)	Residential training workshop for developing Asian APEC Economics	July 2012
Attorney-General Department Small Talks, Canberra (Jenny Gordon)	Lessons on engaging NFPs in delivery of government funded services drawn from Commission's research report Contribution of the Not-for-Profit Sector	Aug 2012
Department of Finance, Canberra (Dean Parham)	Australia's productivity performance	Nov 2012
Productivity Commission & Australian Bureau of Statistics jointed Productivity Perspective Conference, Canberra (Shiji Zhao)	An overview of Australia's productivity performance	Nov 2012
Productivity Commission & Australian Bureau of Statistics jointed Productivity Perspective Conference, Canberra (Paula Barnes)	Productivity in Australian Manufacturing	Nov 2012
EMG Workshop 2012, Sydney (Shiji Zhao)	An overview of Australia's productivity performance	Nov 2012
AGM of Regulatory Reform Unit, Adelaide (Roselyn Bell)	Commission's study into Regulatory Impact Analysis: Benchmarking	Feb 2013

(Continued on next page)

Table E.1 (continued)

<i>Organisation/event</i>	<i>Topic</i>	<i>Date</i>
The Productivity Agenda Conference, Sydney (Dean Parham)	Productivity, Prosperity and Labour's share	May 2013
OECD Measuring Regulatory Performance Workshop, Stockholm (Rosalyn Bell)	Australia's experience with regulatory impact analysis and with regulators in delivering regulatory outcomes	June 2013
16th Annual Conference on Global Economic Analysis, China (Xiao-Guang Zhang)	A simple structure for CGE models	June 2013
3 rd ASEA-CER integration Partnership Forum, Cairns (Paul Gretton)	Development of completion policy, economic benefits and reform processes: Australia's experience	June 2013

Table E.2 International delegations and visitors, 2012-13

<i>Organisation/delegation</i>	<i>Briefing/discussion purpose of visit</i>	<i>Date/location</i>
Sheila Swan, Principal Analyst and Yvonne Lucas, Chief Negotiator, Australian New Zealand Therapeutic Products Authority.	Seminar to the Commission on setting up a joint trans-Tasman Regulatory Agency	July 2012 (C)
Professor Jonathan Wiener, Duke University	Seminar to the Commission on The Reality of Precaution, and the Diffusion of Regulatory Oversight	July 2012 (C)
Dr Robert Koopman, Chief Economist, Director of the Office of Economics at US International Trade Commission	Seminar to the Commission – US–Asia trade: Dynamic General Equilibrium Linkages	Aug 2012 (C)
Minister Amy Adams, NZ Minister for the Environment; Guy Beatson, Deputy Secretary; Nathan Beaumont, Press Secretary and Alex Smithyman, NZ High Commission Canberra, Trade and Environment	The Commission's role and activities	Aug 2012 (C)
IMF Delegation – 2012 Article IV Consultation	The Commission's role and activities	Sept 2012 (C)
Professor Avner Offer, University of London	Seminar to the Commission – A Warrant for Pain: Market liberalism 1970-2010	Sept 2012 (M)
Argentine Political Action Network Delegation	Discuss best practice and good governance	Sept 2012 (C)
Mr Nguyen Anh Duong, Central Institute for Economic Management of Vietnam	Seminar on Economic reform in Vietnam	Oct 2012 (C)
Iraqi Delegation – Ministry of Finance	The Commission's role and activities and public infrastructure financing including trends in government investment.	Oct 2012 (C)
Professor Ila Patnaik, National Institute of Public Finance and Policy, India	The Commission's role and activities	Oct 2012 (M)
Colombian Delegation (Video Conference)	The Commission's role and activities and the Report on Government Services	Nov 2012 (C)
Pascal Lamy, Director-General, World Trade Organization	Richard Snape Lecture 2012: The Future of the Multilateral Trading System	Nov 2012 (M)

(Continued on next page)

Table E.2 (continued)

<i>Organisation/event</i>	<i>Topic</i>	<i>Date</i>
South Korean Delegation led by Mr Hyung-Hwan Joo, Deputy Minister of Strategy and Finance	Structure Reform in Australia	Nov 2012 (C)
Mr Megat Iskandar Shah Jamil Rais, Economics and International Division of the Ministry of Finance (MOF), Malaysia	The role of the MOF, the annual budget and Economic Report processes.	Dec 2012 (C)
H.E. Mrs Jenny Bloomfield, Athens Head of Mission (accredited to Greece, Albania and Bulgaria)	Discuss mid-term consultations	Dec 2012 (M)
Mrs Agnes Espagne, Economic Counsellor of the French Embassy	The Commission's role and activities	Dec 2012 (M)
Vietnam Delegation – Ministry of Planning and Investment	The Commission's role and activities and Structural reform in Australia	Jan 2013 (C)
Indonesian Delegation	Commission's Reforms Agenda.	Feb 2013 (C)
Cambodia Delegation	The Commission's role and activities and Regulation Impact Assessment	March 2013 (C)
Mahpud Sujai, Fiscal Policy Office of the Ministry of Finance, Indonesia	Indonesian health insurance reforms: what lessons can we learn from Australia	April 2013 (C)
Kenichi Kawasaki, Japan Cabinet Secretariat	Discuss Productivity Commission and domestic reform.	April 2013 (C)
China Central Party School Delegation	Discuss role of the Productivity Commission and past work on the environment and population ageing.	April 2013 (C)
Ms Zhang Qi, Research Department of Foreign Economic Relations of Development Research Centre (DRC) of the State Council, China.	China's economic reform and opening up	May 2013 (C)
Philippine Regulatory Impact Analysis Delegation Study Tour	Discuss Regulatory Impact Analysis implementation in Australia	May 2013 (C)
Ashok Chawla, Chair of Competition Commission of Indian and Sachin Pilot, Minister of State of the Ministry of Corporate Affairs, Indian	The Commission's role and activities	June 2013 (C)

(C) Canberra (M) Melbourne