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## B Program performance

**The Productivity Commission's designated role is to contribute to well-informed policy decision-making and public understanding on matters relating to Australia's productivity and living standards. It performs this role by undertaking independent and transparent analysis from a community-wide perspective.**

**The Commission's four main activity streams are public inquiries and other government-commissioned projects, performance reporting and other services to government bodies, competitive neutrality complaints activities, and supporting research and statutory annual reporting. This appendix sets out some broad considerations in assessing the Commission's performance and reports various indicators of overall performance, as well as the Commission's main activities and related performance in 2011-12.**

### **Objectives for performance assessment**

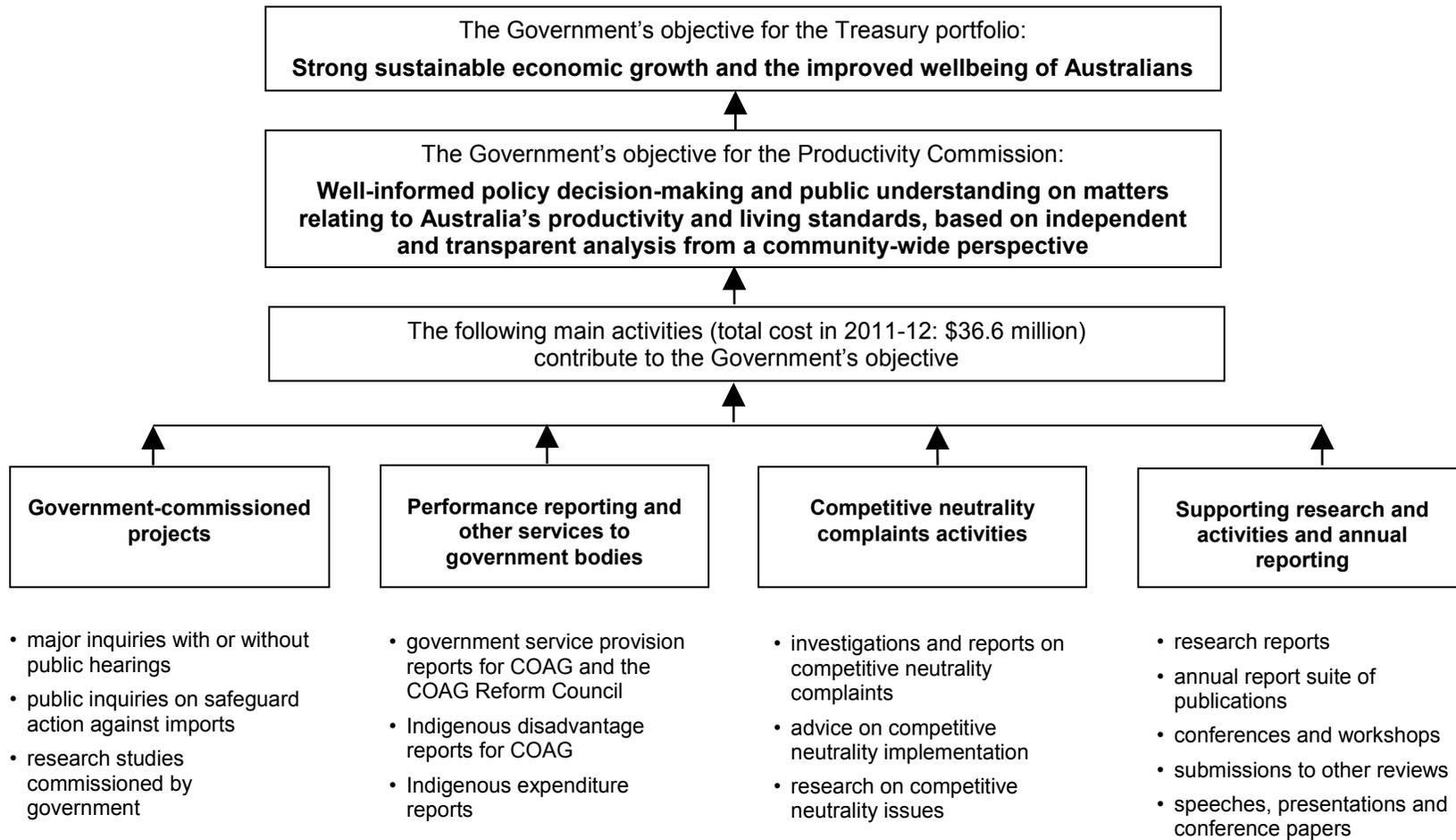
The Government's outcome objective against which the Commission's overall performance is to be assessed is:

Well-informed policy decision making and public understanding on matters relating to Australia's productivity and living standards, based on independent and transparent analysis from a community-wide perspective.

The Commission's inquiry, research, advisory and associated activities derive from its statutory functions. These can be classified into four main activity areas:

- government-commissioned projects
- performance reporting and other services to government bodies
- competitive neutrality complaints activities
- supporting research and activities and statutory annual reporting (figure B.1).

Figure B.1 Productivity Commission main activities 2011-12



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The Commission's overall objective is embedded within the Government's broader outcome objective for the Treasury portfolio as a whole:

to improve the wellbeing of the Australian people, including by achieving strong, sustainable economic growth, through the provision of advice to government and the efficient administration of federal financial relations.

## **Commission activities**

All of the Commission's activities are directed at meeting the policy needs of government, or otherwise fulfilling statutory requirements. Main activities are:

- undertaking individual projects specifically commissioned by government, including commissioned projects of an inquiry or research nature relating to regulatory issues
- meeting standing research, investigatory and advisory functions nominated by government
- research undertaken in response to emerging needs for policy-relevant information and enhanced analytical frameworks, and for building the Commission's capacity to respond to the policy priorities of government.

### *Commissioned projects*

Government-commissioned projects have individual terms of reference.

*Public inquiries* involve extensive public consultation — including through visits, submissions and public hearings — to help identify the relevant issues, assist in the analysis of information and the development of policy options, and to obtain feedback on the Commission's analysis and proposed recommendations. Depending on the length of the reporting period, the Commission typically issues either a full draft report or a 'Position Paper' as part of this consultation process before finalising its report to government. Inquiry reports are tabled in Parliament.

*Commissioned research studies* are generally concerned with assembling policy-relevant information or analysis of policy options for tasks that are often narrower in scope, or required in shorter timeframes, than inquiries. They typically involve less public interaction than inquiries and no formal public hearings. The Commission adapts its inquiry processes in conducting these studies, although it aims to expose its preliminary findings in workshops or roundtable discussions. Commissioned research studies are released at a time agreed with the Government.

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## *Standing functions*

The Government has established the following standing research, investigatory and advisory functions for the Commission:

- secretariat and research services for the Steering Committee for the Review of Government Service Provision. As an integral part of the national performance reporting system, the Steering Committee informs Australians about services provided by governments and enables performance comparisons between and within jurisdictions (SCRGSP Terms of Reference). The Steering Committee is required to:
  - measure and publish annually data on the equity, efficiency and cost effectiveness of government services through the *Report on Government Services*
  - produce and publish the regular *Overcoming Indigenous Disadvantage* report
  - collate and prepare performance data under the Intergovernmental Agreement on Federal Financial Relations, in support of the analytical role of the COAG Reform Council and the broader national performance reporting system
  - initiate research and report annually on improvements and innovation in service provision, having regard to the COAG Reform Council’s task of highlighting examples of good practice and perform any other related tasks referred to it by COAG
  - produce the two-yearly *Indigenous Expenditure Report*, contributing to better policy making and improved outcomes for Indigenous Australians by reporting on expenditure on Indigenous-specific and mainstream services which support Indigenous Australians
- national and international benchmarking of key economic infrastructure industries. The Commission has some discretion in the choice of industry and the timing, guided by an assessment of the Government’s policy needs
- reports and related activities necessary to meet the Commission’s statutory obligation to investigate any complaint that an Australian Government business is not conducted in accordance with competitive neutrality arrangements
- statutory annual reporting on assistance and regulation benefitting different industries (published as the *Trade & Assistance Review*) and on industry and productivity performance generally (encompassed in the *Productivity Monitor*).

Government-commissioned projects and the Commission’s standing functions have priority in the deployment of its staffing and financial resources.

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### *Supporting research*

The Commission also has a statutory mandate to conduct a program of research to support its annual reporting and other responsibilities, and to promote community awareness and understanding of productivity and regulatory issues. This program of supporting research is guided by government statements on policy priorities and parliamentary debate and committee work, and draws on consultation with Australian Government departments and agencies, peak employer and union bodies, and community and environmental groups. The views of State and Territory governments and academics are also sought.

There is a hierarchy of publications and other activities within the Commission's program of supporting research.

- The suite of three annual reporting publications, as well as Commission Research Papers and submissions to other inquiries or reviews established by government or parliament, present the Commission's views on policy issues.
- Published research by Commission staff aims to provide the information and analysis needed to inform policy discussion within government, parliaments and the broader community. Such research contains no recommendations, but can provide 'building blocks' for policy development.
- Publication of the proceedings of conferences and workshops sponsored by the Commission, and of consultants' reports to the Commission, is also intended to promote and inform discussion on important policy issues. As with staff publications, the views expressed need not reflect the views of the Commission.

### **Interpreting performance indicators for the Commission**

The Commission has sought to demonstrate its effectiveness through a number of performance indicators that apply across its main activities (box B.1). Subsequent sections of this appendix report against these indicators for each of its main activities. Feedback surveys, use of Commission work in the parliamentary process, and some general indicators of effectiveness are also reported below.

A number of factors need to be taken into account when interpreting indicators of the Commission's performance.

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**Box B.1 Performance indicators for the Commission**

<i>Main areas of activity</i>	<i>Key indicators</i>
Government-commissioned projects	Projects, reports and associated activities:
Performance reporting and other services to government bodies	<ul style="list-style-type: none"><li>• of a high quality</li></ul>
Competitive neutrality complaints activities	<ul style="list-style-type: none"><li>• useful to stakeholders</li></ul>
Supporting research and activities and statutory annual reporting	<ul style="list-style-type: none"><li>• timely</li></ul>

First, the effectiveness with which the Commission's activities contribute to the achievement of its designated outcome can be difficult to assess and is often subjective. The Commission is but one source of policy advice. Furthermore, feedback on the Commission's performance often can be of an informal kind, which is hard to document and collate systematically. Where views are documented, they can reflect the interests of those affected by the Commission's findings or advice.

Second, the Commission's work program typically covers contentious or complex policy issues (or both), where the Commission's impact should properly be assessed over the medium to long term. Examples from the past year demonstrate the 'shelf life' of a variety of Commission reports in policy formulation and debate (box B.2).

Third, the Commission has to give priority to certain projects and allocates its resources accordingly. The quantum and scope of the Commission's work are, to a significant extent, determined externally. This includes the number and timing of government-commissioned projects and competitive neutrality complaints. Similarly, its secretariat and research work for the Review of Government Service Provision is guided by a Steering Committee. As a consequence, the number and timeliness of projects from the Commission's supporting research program, for example, need to be interpreted in the light of the demands of its public inquiry workload and other standing commitments.

Fourth, the Commission has no control over the release of its final inquiry reports (unlike its draft reports), although the *Productivity Commission Act 1998* requires that the Minister table inquiry reports in Parliament within 25 sitting days of receipt. The time taken for decisions on such reports, and the nature of the decisions themselves, are matters for the Government. However, the release of detailed responses to Commission findings and recommendations, as standard administrative practice, has enhanced the transparency of government decision making on Commission reports and permitted better assessment of their contribution to public

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## Box B.2 Longer-term influence

Some recent examples indicate ways in which Commission inquiry and other reports from past years continue to be influential.

- Debate on media ownership during the year (for example, Yeates 2011) drew on discussion of a public interest test for media mergers in the Commission's 2000 inquiry report on broadcasting (PC 2000). Discussion papers released in September 2011 as inputs into the Government's Convergence Review of media and communications (DBCDE 2011) also drew on the Commission's 2000 report.
- A 2011 review of Australia's preparedness for the threat of foot-and-mouth disease, undertaken for the Department of Agriculture, Forestry and Fisheries by Ken Matthews AO, made extensive use of a 2002 Commission report on the topic.
- In April 2012 the Minister for Agriculture, Fisheries and Forestry, the Hon. Joe Ludwig, announced new arrangements to help farmers better manage risk and prepare for challenges associated with drought. The arrangements drew on recommendations from the Commission's 2009 inquiry report on drought assistance.
- A report on employment barriers for older workers, released by National Seniors Australia and the Productive Ageing Centre in December 2011, drew on a 1999 Commission report on the policy implications of an ageing population.
- The final report of the Building the Education Revolution Implementation Taskforce, published in July 2011, recommended that the Commission be asked to update its 1991 work on the construction industry (BERIT 2011).
- The Australian National Audit Office continued to make widespread use of past Commission reports in its work. For example, the ANAO drew on analysis and recommendations in the Commission's 2002 inquiry on cost recovery by Commonwealth Agencies in *Audit Report No. 3, Therapeutic Goods Regulation: Complementary Medicines*. The Commission's 2006 report on *Tasmanian Freight Subsidy Arrangements* was used in Audit Report No. 13, *Tasmanian Freight Equalisation Scheme*.
- Past Commission reports on a range of subjects also continued to inform the work of the Parliamentary Library. For example: the Commission's 2005 reports on medical technology and the health workforce were used in a Library research paper on the sustainability of the health system; and a Commission inquiry report on workers compensation and OH&S from 2004 was used by the Library in several background notes and Bills Digests.
- The OECD also continued to make extensive use of past Commission research outputs during the year. This included research on productivity performance (Dolman, Parham and Zheng 2007) in a paper on product market regulation (Conway 2011); research on restrictions on trade in distribution services (Kalirajan 2000) in a report on distribution services (OECD 2012a); and research on firm size and export performance (Gabbitas and Gretton 2003) in a report on small and medium sized enterprises in global markets (OECD 2012b).

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policy making. Extended delays in the tabling of inquiry reports and decisions on them can compound the difficulties of assessing the Commission's contribution to outcomes. All inquiry reports in 2011-12 were tabled within the statutory period.

While research studies commissioned by the Government do not have to be tabled in Parliament, these reports are generally released soon after completion. Where available, government use of and responses to commissioned research studies are reported in appendix D.

This appendix reviews some broad-based indicators of Commission performance before reporting on each of its main activities against the indicators agreed under the Government's performance framework.

### **Feedback surveys**

The Commission has a program of surveys and other initiatives to gather external feedback on its activities. These surveys complement the feedback received through comments and submissions on draft reports, position papers, workshop papers and the views expressed during public hearings and consultations on its research program.

The results of past surveys were reported in previous annual reports and cover external perceptions about the quality of the Commission's inquiry processes and reports, its reporting on the financial performance of government trading enterprises, the Report on Government Services and the quality and usefulness of the Commission's supporting research program.

#### *Other feedback*

As noted in chapter 2, the Commission continued to provide feedback opportunities through email, on-line surveys, and survey forms included in publications or issued to participants in the Commission's public hearings. Comments are passed to management and authors for consideration. Much of the feedback received through these mechanisms this year was positive.

### **Commission projects and the work of the Federal Parliament**

The inquiries and reports which figured most prominently in federal parliamentary debate during 2011-12 were the Commission's reports on emissions reduction policies and carbon pricing, disability care and support and aged care. . As noted in chapter 2, 103 Members and 53 Senators referred to 79 different Commission

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reports or inquiries, or to the Commission's role in policy processes, during the 2011-12 parliamentary proceedings.

Commission projects are also used in parliamentary work in a variety of other ways.

- Eleven parliamentary committees drew on a range of Commission inquiry and research outputs in their own reports during the year. The 18 recent parliamentary committee reports listed in table B.1 referred to 16 different Commission outputs.
- Research material provided to parliamentarians during 2011-12 by the Parliamentary Library — such as Bills Digests and Research Briefs — referred to 17 different Commission outputs (table B.2). These included eight inquiry and other commissioned research reports and several research papers.
- People appearing at the hearings of parliamentary committees in 2011-12 referred to Commission outputs in more than 50 different topic areas.

#### *Use of Commission Reports by the Audit Office*

Performance audits undertaken by the Australian National Audit Office (ANAO) inform the Parliament and the Government about public sector administration and performance. During 2011-12 the ANAO drew on analysis and recommendations in the Commission's 2002 inquiry on cost recovery by Commonwealth Agencies in Audit Report No. 3, *Therapeutic Goods Regulation: Complementary Medicines*. The ANAO drew on findings in the *Report on Government Services* from various years in Audit Report No. 10, *Administration of the National Partnership on Early Childhood Education*. The Commission's 2006 report on *Tasmanian Freight Subsidy Arrangements* was used in Audit Report No. 13, *Tasmanian Freight Equalisation Scheme*. Analysis and findings from the Commission's 2011 draft report on Australia's retail industry was used in Audit Report No. 15, *Risk Management in the Processing of Sea and Air Cargo Imports*. The Commission's 2009 report on paid parental leave was drawn upon in Audit Report No. 24, *Administration of Government Advertising Arrangements: March 2010 to August 2011*. The 2011 Report on Government Services was used in Audit Report No. 26 on *Capacity Development for Indigenous Service Delivery*. The ANAO also drew on the 2011 Overcoming Indigenous Disadvantage report in Audit Report No. 35, *Indigenous Early Childhood Development. New Directions: Mothers and Babies Services*.

**Table B.1 Use of Commission publications in parliamentary committee reports in 2011-12**

<i>Parliamentary Committee and report</i>	<i>Commission output used</i>
House of Representatives Standing Committee on Regional Australia, <i>Of drought and flooding rains: Inquiry into the impact of the Guide to the Murray-Darling Basin Plan</i> , May 2011	Research Report, <i>Rural Water Use and the Environment: The Role of Market Mechanisms</i> , March 2011; Research Report, <i>Market Mechanisms for Recovering Water in the Murray-Darling Basin</i> , March 2010
Joint Select Committee on Gambling Reform, <i>First report: The design and implementation of a mandatory pre-commitment system for electronic gaming machines</i> , May 2011	Inquiry Report, <i>Gambling</i> , February 2010
Senate Economics Legislation Committee, <i>Customs Amendment (Anti-dumping Measures) Bill 2011 [Provisions]</i> , June 2011	Inquiry Report, <i>Australia's Anti-dumping and Countervailing System</i> , December 2009
Senate Economics Legislation Committee, <i>Bankruptcy Amendment (Exceptional Circumstances Exit Package) Bill 2011</i> , September 2011	Inquiry Report, <i>Government Drought Support</i> , February 2009
Senate Finance and Public Administration Legislation Committee, <i>National Health Reform Amendment (Independent Hospital Pricing Authority) Bill 2011 [Provisions]</i> , September 2011	Research Report, <i>Public and Private Hospitals</i> , December 2009
Senate Legal and Constitutional Affairs Legislation Committee, <i>Patent Amendment (Human Genes and Biological Materials) Bill 2010</i> , September 2011	Inquiry Report, <i>Public Support for Science and Innovation</i> , March 2007
House of Representatives Standing Committee on Economics, <i>Advisory report on the Food Standards Amendment (Truth in Labelling—Palm Oil) Bill 2011</i> , September 2011	Inquiry Report, <i>Review of Australia's Consumer Policy Framework</i> , May 2008
Senate Economics References Committee, <i>The impacts of supermarket price decisions on the dairy industry</i> , November 2011	Draft Inquiry Report, <i>Economic Structure and Performance of the Australian Retail Industry</i> , August 2011
Senate Economics References Committee, <i>Investing for good: the development of a capital market for the not-for-profit sector in Australia</i> , November 2011	Research Report, <i>Economic Contribution of the Not For Profit Sector</i> , February 2010
Senate Economics Legislation Committee, <i>Tax Laws Amendment (2011 Measures No. 8) Bill 2011 [Provisions]</i> , <i>Pay As You Go Withholding Non-compliance Tax Bill 2011 [Provisions]</i> , November 2011	Research Report, <i>Review of the Regulatory Burden on the Upstream Petroleum (Oil and Gas) Sector</i> , April 2009

Senate Education, Employment and Workplace Relations References Committee, *The administration and purchasing of Disability Employment Services in Australia*, November 2011

House of Representatives Standing Committee on Climate Change, Environment and the Arts, *Advisory Report on the Offshore Petroleum and Greenhouse Gas Storage Amendment (Significant Incident Directions) Bill 2011*, November 2011

Parliamentary Joint Select Committee on Gambling Reform, *Second report: Interactive and online gambling and gambling advertising, Interactive Gambling and Broadcasting Amendment (Online Transactions and Other Measures) Bill 2011*, December 2011

Senate Education, Employment and Workplace Relations Legislation Committee, *Fair Work Amendment (Textile, Clothing and Footwear Industry) Bill 2011*, February 2012

Senate Economics Legislation Committee, *Minerals Resource Rent Tax Bill 2011 [Provisions] and related bills*, March 2012

Senate Rural and Regional Affairs and Transport References Committee, *Operational issues in export grain networks*, April 2012

House of Representatives Standing Committee on Education and Employment, *Advisory report on the Fair Work Amendment (Better Work/Life Balance) Bill 2012*, May 2012

House of Representatives Standing Committee on Health and Ageing, *Lost in the Labyrinth: Report on the inquiry into registration processes and support for overseas trained doctors*, March 2012

Research Report, *Economic Contribution of the Not For Profit Sector*, February 2010

Research Report, *Review of the Regulatory Burden on the Upstream Petroleum (Oil and Gas) Sector*, April 2009

Inquiry Report, *Gambling*, February 2010

Inquiry Report, *Review of TCF Assistance*, July 2003

Inquiry Report, *Caring for Older Australians*, August 2011

Inquiry Report, *Wheat Export Marketing Arrangements*, July 2010

Inquiry Report, *Caring for Older Australians*, August 2011; Inquiry Report, *Disability Care and Support*, July 2011

Research Report, *Australia's Health Workforce*, December 2005

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**Table B.2 Parliamentary Library use of Commission publications in 2011-12**

<i>Parliamentary Library output 2011-12</i>	<i>Commission output used</i>
<i>Citizens' engagement in policymaking and the design of public services, Research Paper, July 2011</i>	<i>Research Report, Economic Contribution of the Not For Profit Sector, February 2010</i>
<i>Offshore Petroleum and Greenhouse Gas Storage Amendment (National Regulator) Bill 2011, Bills Digest No 3, July 2011</i>	<i>Research Report, Review of the Regulatory Burden on the Upstream Petroleum (Oil and Gas) Sector, April 2009</i>
<i>Chronology of Fair Work: background, events and related legislation, Background Note, August 2011</i>	<i>Draft Inquiry Report, Economic Structure and Performance of the Australian Retail Industry, August 2011</i>
<i>Toward national workplace safety and workers' compensation systems: a chronology, Background Note, August 2011</i>	<i>Inquiry Report, National Workers' Compensation and Occupational Health and Safety Frameworks, March 2004</i>
<i>Customs Amendment (Anti-dumping Measures) Bill 2011, Bills Digest No 28, August 2011</i>	<i>Inquiry Report, Australia's Anti-dumping and Countervailing System, May 2010</i>
<i>Work Health and Safety Bill 2011, Bills Digest No 29, August 2011</i>	<i>Inquiry Report, National Workers' Compensation and Occupational Health and Safety Frameworks, March 2004</i>
<i>Customs Amendment (Anti-dumping Improvements) Bill 2011, Bills Digest No 47, September 2011</i>	<i>Inquiry Report, Australia's Anti-dumping and Countervailing System, May 2010</i>
<i>Clean Energy Bill 2011, Bills Digest No 68, October 2011</i>	<i>Research Report, Carbon Emission Policies in Key Economies, May 2011</i>
<i>What are we doing to ensure the sustainability of the health system?, Research Paper, November 2011</i>	<i>Research Report, Impacts of Advances in Medical Technology in Australia, September 2005; Research Report, Australia's Health Workforce, December 2005</i>
<i>Electronic gaming machines: what lessons from Norway?, Background Note, November 2011</i>	<i>Inquiry Report, Gambling, February 2010</i>
<i>Securing a clean energy future: some economic aspects, Research Paper, November 2011</i>	<i>Research Report, Carbon Emission Policies in Key Economies, May 2011; Productivity Commission Submission, What role for policies to supplement an emissions trading scheme? Submission to the Garnaut climate change review, May 2008</i>

*Offshore Petroleum and Greenhouse Gas Storage Amendment (Significant Incident Directions) Bill 2011*, Bills Digest No 69, November 2011

*Australian Government spending on irregular maritime arrivals and counter-people smuggling activity*, Background Note, December 2011

*Fair Work Amendment (Textile, Clothing and Footwear Industry) Bill 2011*, Bills Digest No 92, January 2012

*Broadcasting Services Amendment (Regional Commercial Radio) Bill 2011*, Bills Digest No 94, January 2012

*Chronology of Fair Work: background, events and related legislation*, Background Note, February 2012

*Superannuation Legislation Amendment (MySuper Core Provisions) Bill 2011*, Bills Digest No 119, March 2012

*Budget Review 2012-13*, Research Paper, May 2012

*Paid Parental Leave and Other Legislation Amendment (Dad and Partner Pay and Other Measures) Bill 2012*, Bills Digest No 131, May 2012

Research Report, *Review of the Regulatory Burden on the Upstream Petroleum (Oil and Gas) Sector*, April 2009

Steering Committee for the Review of Government Service Provision, *Report on Government Services 2011*, January 2011

Research Report, Modelling economy-wide effects of future TCF assistance, June 2008; Inquiry Report, *Review of TCF Assistance*, July 2003

Research Report, *Annual review of regulatory burdens on business: social and economic infrastructure services*, August 2009

Draft Inquiry Report, *Economic Structure and Performance of the Australian Retail Industry*, August 2011

Issues Paper, *Default Superannuation Funds in Modern Awards*, February 2012

Inquiry Report, *Economic Structure and Performance of the Australian Retail Industry*, November 2011; Inquiry Report, *Caring for Older Australians*, August 2011; Inquiry Report, *Disability Care and Support*, July 2011

Inquiry Report, *Paid Parental Leave*, May 2009

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### *Senate Committee appearances*

The Commission is also invited to appear regularly before Senate Committees to assist the work of Federal Parliament and facilitate scrutiny of its work. It was requested to attend Senate Estimates hearings on three occasions in 2011-12. Appearances by the Chairman and senior staff before the Senate Standing Committee on Economics occurred on 20 October 2011, 16 February 2012 and 31 May 2012. Hansard of the appearances is available on the Parliament of Australia website.

### **Other evidence**

In addition to the performance indicators for 2011-12 referred to in chapter 2 and those detailed elsewhere in this appendix, recognition of the ability of the Commission to contribute to policy making and public understanding through independent and transparent analysis was demonstrated by the following developments. These mostly involve suggestions for specific references or reporting tasks, but also encompass general assessments of the Commission's performance.

- In July 2011, the Government announced several significant new tasks for the Commission as part of its *Clean Energy Future Plan*. These include reviews of industry assistance under the Jobs and Competitiveness Program and the Coal Sector Jobs Package; reviews of the impact of the carbon price on industry; continued reporting on actions by other countries to reduce carbon pollution; and a review of fuel excise arrangements, including an examination of the merits of a regime based explicitly and precisely on the carbon and energy content of fuels (Australian Government 2011a, pp 111-112).
- When discussing the release of the Commission's final report into disability care and support in August 2011, the Prime Minister, the Hon. Julia Gillard, stated:  
And let's be clear here: the Productivity Commission has done some great work, very in-detail recommendations and we will review and analyse them and we will respond to those recommendations. (Gillard, Macklin, Shorten and McLucas 2011)
- The Hon. Jenny Macklin, Minister for Families, Housing, Community Services and Indigenous Affairs, described the Commission in December 2011 as 'Australia's leading economic research body.' (Macklin 2011)
- In September 2011 the Treasurer discussed the introduction of a carbon price and stated:

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It is consistent with advice we've seen from leading economic institutions like the IMF, OECD, Productivity Commission and the overwhelming majority of respected economists across the nation. (Swan, Combet 2011)

- The Commission's final inquiry report on aged care, released in December 2011, was widely commented on.
  - The Advisory Panel on the Economic Potential of Senior Australians (2011) said that:

The recent Productivity Commission inquiry, *Caring for Older Australians*, has made a very substantial contribution to the direction of the aged care sector in Australia.
  - The CEO of Palliative Care Australia, Dr Yvonne Luxford, stated:

The Productivity Commission... had really broad terms of reference and it came up with a fantastic report... There's been a lot of discussion in the Senate in the past 12 months in regards to the Productivity Commission's inquiry into aged care. It's coming to people's attention. (Noone 2011, p. 2)
  - In January 2012, the Aged Care Industry Council welcomed the release of the report, and stated that:

... the Productivity Commission has provided a timely blueprint for establishing an affordable and sustainable quality aged care system for Australia. (ACIC 2012)
- The Governor of the Reserve Bank, Glenn Stevens, discussed productivity-enhancing economic reforms in June 2012 and stated:

I think the best answer is we have a body called the Productivity Commission... They've got a long list of things to do. My answer to what we can do about productivity is go get the list and do them. They're not popular and they are very difficult and they are politically hard in many instances, but these people are the experts. (Greber, Daley and Massola 2012)
- During the year COAG identified several further areas where Commission projects would assist it with its work. These included a request to provide high level advice on the likely costs and benefits of further COAG reforms; and to undertake further possible work on construction costs and/or major project development assessment processes.
- The Federal Opposition proposed a number of tasks for the Commission during the year, including that it:
  - conduct regular audits of Departmental attempts to reduce red tape (Abbott 2011)
  - develop a set of guidelines for future automotive industry assistance (Mirabella 2012)

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- inquire into foreign ownership of agricultural land and agribusinesses (Truss 2011)
  - be asked to conduct a comprehensive review of the Fair Work Act (Abetz 2011)
  - undertake an inquiry to consider ways that high quality child care can be delivered more flexibly to suit the individual circumstances of families (Abbott 2012).
  - The Australian Greens proposed that the Commission be asked to undertake several strands of new work during the year, including that it:
    - provide a report detailing options for the establishment of an Australian sovereign wealth fund (Bandt 2012)
    - report on the effectiveness of competition policy in the grocery sector (Milne 2012)
    - be asked to conduct an inquiry into the Federal Government's funding of childcare services, including a review of the childcare rebate and benefit (Hanson-Young 2012).
  - The Grattan Institute called in February 2012 for the Commission to be tasked with tracking and reviewing subsidies and tax exemptions for electricity generation. (Wood, Edis, Mullerworth and Morrow 2012)
  - The 2012-13 Commonwealth Budget included a requirement that the Commission review the trial of mandatory gambling pre-commitment technology that will be conducted in the Australian Capital Territory.
  - In December 2011, the Standing Council on Energy and Resources stated that the Commission would conduct a review into the non-financial barriers faced by mineral and petroleum exploration companies, with the review to commence in 2012. (SCER 2011)
  - In May 2012, CSR and the Australian Logistics Council called for a Commission inquiry into the coastal shipping industry.
  - The final report of the Building the Education Revolution Implementation Taskforce, published in July 2011, recommended that the Commission be asked to update its 1991 work on the construction industry (BERIT 2011).
  - In July 2011 the Tasman Transparency Group recommended that the Commission be asked to conduct independent reviews of all proposed trade agreements before they are agreed to by the Federal Government (Jean 2011).

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- Parliamentary Committees also continued to draw on Commission reports to inform their work and to recommend new work for the Commission. For example:
    - In October 2011, the Senate Select Committee on the Scrutiny of New Taxes recommended that the Commission be tasked with conducting a comprehensive cost benefit analysis of the proposed carbon tax
    - The Senate Rural Affairs and Transport References Committee recommended in June 2011 that the Commission conduct a review of the current and future supply of pilots in Australia.
  - A number of policy analysts and newspaper editorials during the year variously advocated that the Commission be asked to undertake reviews on a wide range of topics, including the performance of national cities; carbon price assistance for industries; the costs and benefits of major government expenditure proposals; tax concessions for the finance industry; the Medicare system; an extension of unit pricing across the retail sector; options to increase the private funding of high-priority infrastructure projects; drug laws; the short term small amount lending market; and policy options to enhance labour mobility.
  - Anglicare Sydney recommended in May 2012 that the Commission be given a brief to study the nature and extent of childhood social exclusion in Australia and develop a National Child Poverty Action Plan. (Anglicare Sydney 2012)
  - Throughout the year, various peak bodies also continued to call for the Commission to be requested to undertake a diverse range of work. For example:
    - In November 2011, the Business Council of Australia called for the Commission to be tasked with conducting an investigation into the sources and extent of entrenched disadvantage and the most effective means of breaking these cycles (Westacott 2011). In May 2012 the Council called for the Commission to be tasked with conducting an inquiry into major project assessments and construction costs (Westacott 2012).
    - The Australian Chamber of Commerce and Industry called in July 2012 for the Commission to be asked to conduct a review of the renewable energy target. (Evans 2012)
  - General endorsement of the Commission’s role and work can also be found in various proposals for new agencies that have similar roles. For example:
    - In May 2012, the Government of Denmark established a Productivity Commission to consider options to improve on the slow productivity growth

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that has existed in Denmark since the mid-1990s. (European Commission 2012)

- A report on economic reform in China, produced by a joint team from the World Bank and the Development Research Centre, called for the establishment of a reform commission, and stated:

Commission members will need to undertake extensive and genuine consultations and discussions with all stakeholders so that everyone respects and understands the objectives of the reforms and the underlying rationale for policy changes and so that a proper balance is struck between the interests of various stakeholders. (World Bank and Development Research Centre of the State Council 2012, p. 67)

- In November 2011 an OECD Economic Review of Germany called for a body similar to the Commission to be established, stating:

In order to focus the debate and to identify remaining hurdles to higher productivity, an advisory body tasked with reviewing regulation and other issues – similar to the Australian Productivity Commission – should be established. (OECD 2011e, p. 20)

### *Citations in journals and elsewhere*

In addition to the parliamentary, media and other coverage reported elsewhere in this appendix, the Commission and its reports are widely cited elsewhere. The Commission found evidence of over 600 mentions of the Commission and its reports in 2011-12 in a wide range of journals and other publications. These covered a wide range of different reports, papers, speeches and work in progress. The reports receiving the most number of citations were the annual *Report on Government Services* from various years, the *Overcoming Indigenous Disadvantage* reports, and inquiries on aged care and gambling.

### *COAG review of the Report on Government Services*

COAG agreed in 2009 to a review of the *Report on Government Services* (RoGS), to be undertaken by a combined Senior Officials and Heads of Treasuries Working Group. COAG endorsed the view that the review was the key tool to measure and report on the productive efficiency and cost effectiveness of government services.

COAG endorsed new terms of reference for the Steering Committee and the RoGS in April 2010. The Steering Committee reports to COAG on its operations triennially, with the first report provided in September 2012.

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### *Review of the Overcoming Indigenous Disadvantage: Key Indicators report*

In 2012, the Productivity Commission, in its role as Secretariat for the Review of Government Service Provision, commissioned the Australian Council of Educational Research to conduct a review of the Overcoming Indigenous Disadvantage report. The review included consultation with governments, Indigenous organisations and research bodies, using a mix of face-to-face meetings and forums, telephone interviews and surveys. The review found a positive view of the report and identified a number of opportunities to strengthen it.

## **Government-commissioned projects**

These projects are major tasks commissioned or formally requested by the Australian Government. They encompass the conduct of public inquiries, case studies, program evaluations, taskforces and commissioned research projects. They typically involve extensive public consultation. The Commission can also be asked to assist policy development processes by undertaking technical modelling exercises of policy initiatives under consideration by the Government.

In response to these requests, the Commission is committed to undertaking projects in accordance with required processes and to produce reports which are of a high standard, useful to government and delivered on time. Performance against these indicators is reported below.

All government-commissioned inquiries in 2011-12 were conducted by the Commission in accordance with statutory processes which set requirements for public hearings, submissions and the use of economic models.

### **Activities in 2011-12**

The Commission had nine public inquiries and eight government-commissioned research studies underway at some time during the year. The program of government-commissioned projects is summarised in table B.3, although the varying complexity of policy issues addressed and the consultation demands are difficult to capture.

During 2011-12 the Commission:

- completed four public inquiries commenced in 2010-11 — on disability care and support, urban water, the retail industry and the economic regulation of airport services

- commenced, and completed in the year, a public inquiry on Australia's export credit arrangements
- commenced a further four new public inquiries during the year, on climate change adaptation, electricity network regulation, default superannuation and the compulsory licensing of patents.

**Table B.3 Program of public inquiries and other government-commissioned projects<sup>a</sup>**

Month	2010-11					2011-12												2012-13							
	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	
<b>Public inquiries:</b>																									
Caring for Older Australians																									
Disability care and support																									
Australia's Urban Water Sector																									
Structure and Performance of the Retail Industry																									
Economic Regulation of Airport Services																									
Australia's Export Credit Arrangements																									
Barriers to Effective Climate Change Adaptation																									
Electricity Network Regulation																									
Default Superannuation Funds in Modern Awards																									
Compulsory Licensing of Patents																									
<b>Commissioned research studies:</b>																									
Emissions Reduction Policies and Carbon Prices																									
Regulatory Burdens: Regulation reforms																									
Education and Training Workforce – ECD																									
Education and Training Workforce – Schools																									
Impacts and Benefits of COAG Reforms <sup>b</sup>																									
Regulation Benchmarking: Role of Local Government																									
Benchmarking: Regulatory Impact Analysis																									
Australian and New Zealand Economic Relations																									
COAG Regulatory and Competition Reforms																									

<sup>a</sup> Shaded area indicates the approximate duration of the project in the period covered by the table. <sup>b</sup> Includes consideration of Vocational Education and Training and Seamless National Economy reforms.

Research studies commissioned by the Government were also a significant component of the Commission's workload again in 2011-12 (figure 2.1). During the year the Commission:

- finalised three government-commissioned research studies begun the previous year — on the schools and early childhood development workforces, and the

fifth stage of the review of regulatory burdens on business study (on identifying and evaluating regulatory reforms)

- commenced and completed in the same year a study on the impacts and benefits of COAG reforms and a report on the future COAG reform agenda
- commenced a further three new studies on the role of local government as a regulator, a business regulation benchmarking study on regulatory impacts assessments, and a study on Australian and New Zealand economic relations.

Trends in public inquiry activity and participation over the past five years are shown in table B.4. Information on individual projects is provided in appendix D.

**Table B.4 Public inquiry and other commissioned project activity, 2007-08 to 2011-12**

<i>Indicators</i>	<i>2007-08</i>	<i>2008-09</i>	<i>2009-10</i>	<i>2010-11</i>	<i>2011-12</i>
<b>Public inquiries</b>					
Inquiry references received	3	3	4	3	5
Issues papers released	1	3	4	3	4
Public hearings (sitting days) <sup>a</sup>	28	17	28	45	16
Organisations/people visited	124	205	261	361	152
Submissions received	720	749	609	2397	566
Draft reports <sup>b</sup>	2	2	4	4	5
Inquiry reports completed	3	2	3	3	5
Inquiries on hand (at 30 June)	2	3	4	4	9
<b>Research studies</b>					
References received	7	5	5	4	5
Submissions received	262	972	483	352	590
Draft reports <sup>b</sup>	4	6	11	3	4
Research reports completed	4	7 <sup>d</sup>	7 <sup>d</sup>	4	4
Studies on hand (at 30 June)	5	5	5	3	4
<b>Total references</b>					
Total references received	10	8	9	7	10
Total references completed	7	8	9	7	8
Total references on hand (at 30 June)	7	8	9	7	7

<sup>a</sup> Excludes forums and roundtable discussions. <sup>b</sup> Includes all types of draft reports. <sup>c</sup> Includes 90 almost identical short letters sent in response to the Commission's draft report on science and innovation. <sup>d</sup> Total includes two final reports completed as part of the study on business regulation benchmarking.

The Commission endeavours to conduct projects in an economical manner, while ensuring rigorous analysis and maximising the opportunity for participation. Total estimated costs (covering salaries, direct administrative expenses and an allocation for corporate overheads) for the ten inquiries and government-commissioned research studies completed in 2011-12 are shown in table B.5.

**Table B.5 Cost of public inquiries and other commissioned projects completed in 2011-12<sup>a</sup>**

<i>Government-commissioned project</i>	<i>Total cost</i>
	\$'000
Disability Care and Support	2 767
Australia's Urban Water Sector	1 670
Structure and Performance of the Retail Industry	1 207
Economic Regulation of Airport Services	964
Australia's Export Credit Arrangements	1 222
Regulatory Burdens: Regulation Reforms	558
Education and Training Workforce - ECD	1 934
Education and Training Workforce - Schools	1 538
Impacts and Benefits of COAG Reforms	1 553
COAG Regulatory and Competition Reforms	125

<sup>a</sup> Includes estimated overheads.

The major administrative (non-salary) costs associated with public inquiries and other government-commissioned projects relate to the Commission's extensive consultative processes and the wide dissemination of its draft and final reports. Comparisons of these costs for the period 2007-08 to 2011-12 are shown in table B.6.

Variations in the administrative cost of inquiries and other commissioned projects arise from the extent and nature of public consultation, the number of participants, the complexity and breadth of issues, the need for on-site consultations with participants and the State and Territories, the cost of any consultancies (including those arising from the statutory requirements relating to the use of economic models), and printing costs and the duration of the inquiry or project.

**Table B.6 Direct administrative expenditure on public inquiries and other government-commissioned projects<sup>a</sup>, 2007-08 to 2011-12**

<i>Expenditure item</i>	<i>2007-08</i>	<i>2008-09</i>	<i>2009-10</i>	<i>2010-11</i>	<i>2011-12</i>
	\$'000	\$'000	\$'000	\$'000	\$'000
Travel	394	546	526	667	523
Printing	108	133	212	183	223
Consultants	402	82	27	28	20
Other <sup>b</sup>	208	251	526	942	242
<b>Total</b>	<b>1 112</b>	<b>1 012</b>	<b>1 291</b>	<b>1 820</b>	<b>1 008</b>

<sup>a</sup> Expenditure other than salaries and corporate overheads. <sup>b</sup> Includes other costs, such as advertising, venue hire, transcription services and data acquisition.

## Consultative processes

The practice of consulting widely during inquiries and government-commissioned research projects continued in 2011-12, encompassing government departments and agencies, professional and industry organisations, academics and the broader community.

In the course of its inquiry work over the year, the Commission held 16 public hearings, visited more than 150 individuals and organisations and received more than 1150 submissions.

The Commission actively encourages public participation in its inquiry work and continues to develop mechanisms to facilitate this. For example:

- In conducting its inquiry into Australia's retail industry, the Commission advertised the inquiry widely in print and electronic media. It visited a wide range of external stakeholders, attended a workshop organised by the Department of Customs, organised a Roundtable prior to the release of the draft report, and held public hearings following the release of the draft report. The Commission's roundtable brought together representatives from Customs, express couriers and Australia Post, and was valuable in clarifying issues. The Commission also consulted with overseas experts and with postal services such as the Royal Mail in the UK. Further consultations were also held with investment analysts and financial institutions with expertise in the retail sector. Public hearings were attended by unions, business representatives, government officials and consumers. They were also invaluable in clarifying issues.
- In undertaking its study on the role of local government as a regulator, the Commission liaised with an advisory panel, consisting of representatives from

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the Australian Local Government Association and central departments in all states and territories and the Commonwealth government. Extensive surveys were undertaken of state and local governments which also raised awareness of the study generally and to core issues in the terms of reference more specifically. To consult widely with local governments at the grass roots, the Commission visited all of the local government associations in all jurisdictions. In addition, over the course of the study, presentations were made at conferences directed at local government issues. The Commission also visited many of the state and territory peak industry bodies and some select individual businesses in all jurisdictions. Based on the suggestion in the terms of reference that the Commission could draw on good overseas regulatory practices by local government, the Commission also visited key agencies in the United Kingdom and New Zealand.

Further details on the consultations undertaken in the course of government-commissioned research studies are provided in the reports.

Internet technology has greatly increased the accessibility of the Commission's reports and facilitated speedier and easier notification of developments in inquiries and studies. On-line registration facilitates people notifying their interest in specific inquiries and studies and being kept informed of developments. In particular, participants' submissions to inquiries and studies and transcripts of hearings (other than confidential information) are placed on the Commission's website. Internet access has also increased the opportunities for earlier and less costly public scrutiny of the views and analysis being put to the Commission. There were more than 77 000 external requests for the index pages to submissions for inquiries and commissioned studies current in the year to 30 June 2012.

### **Quality indicators**

Quality assurance processes are built into the way the Commission conducts its public inquiries and other government-commissioned projects. The Commission receives extensive feedback on the accuracy and clarity of its analysis in its inquiry work and the relevance of its coverage of issues. Much of this feedback is on the public record through submissions on draft reports and transcripts of public hearings.

The roundtables and workshops convened during the course of inquiries and government-commissioned research studies, noted above, also contributed to the Commission's quality assurance processes.

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The Government's formal responses to the work it has commissioned potentially provide a further indicator of the quality of that work. These responses are also an indicator of usefulness and are reported under that heading below. Details of the Government's responses to Commission reports are provided in appendix D.

## **Timeliness**

Of the ten inquiries and commissioned research studies finalised in 2011-12, six were completed on or ahead of schedule.

Extensions were required for four inquiries and studies:

- The reporting period for the inquiry into Australia's urban water sector was extended by approximately four weeks to allow time for the further consideration of work being undertaken concurrently by several other organisations.
- A three-week extension was granted for the study on the education and training workforce: early childhood development. This was required to allow the Commission to incorporate key data that it had recently received and to hold a workshop on the approach and findings with key stakeholders prior to finalising the report.
- An extension of approximately one week was granted for the Commission's study *Identifying and Evaluating Regulation Reforms* to allow the further consideration of recently received submissions.
- The reporting date for the study on Impacts of COAG Reforms: Business Regulation and VET was extended by one month to enable consideration of late submissions and to finalise the detailed modelling of reform outcomes.

## **Indicators of usefulness**

The usefulness of government-commissioned projects undertaken by the Commission in contributing to policy making and public understanding is demonstrated by a range of indicators.

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## Government responses

The Commission's impact on policy making is revealed most directly through government responses to, and decisions on, its reports. During the year, the Australian Government announced the following decisions on Commission reports.

- On 9 December 2011 the Australian Government released its response to the Commission's report on the Australian retail industry (Conroy, O'Connor, Sherry and Shorten 2011). The Government agreed, or agreed in principle, with eight recommendations and noted four recommendations (in noting two of the recommendations, the Government recognised that some matters, such as those dealing with planning and zoning, trading hours and tenancy, were state issues). It also "noted" recommendations on Workplace Relations Regulation and on the gathering data about online retailing. The Government did not agree with one recommendation dealing with the issue of restrictions on competition created by the *Copyright Act*. It preferred an alternative process to that recommended by the Commission to further investigate such concerns (by referring it to the Australian Law Reform Commission). The Government welcomed the staged approach recommended by the Commission to the issue of the appropriate level of the Low Value Threshold. This involved establishing a Taskforce to investigate improved approaches to processing low value parcels and then reassessing the extent to which the Threshold could be reduced.
- On 30 March 2012 the Minister for Infrastructure and Transport, the Hon Anthony Albanese, and the Assistant Treasurer and Minister Assisting for Deregulation, the Hon David Bradbury, released a response to the Commission's 2011 report on airport regulation (Albanese and Bradbury 2012). In responding to the report, the Government broadly accepted the Commission's recommendations, but did not fully implement its proposed approach.

The Government agreed in principle with the Commission's recommendations to continue monitoring and improve the operation of the regime through enhancements to the monitoring approach, namely:

- publication by the Australian Competition and Consumer Commission (ACCC) of a draft monitoring report
- a 'show cause' process that would see the ACCC, in the published draft airport monitoring report, having the option to nominate an airport to show cause why its conduct should not be subject to a price inquiry. Where the ACCC is not satisfied with an airport's response, the ACCC should make a

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recommendation to the relevant Minister that a price inquiry be held under Part VIIA of the Competition and Consumer Act 2010 (CCA)

- a review of the objective criteria for quality of service monitoring by June 2013
- publication of airports' prices, terms and conditions for transport operators' access to airports.

However, the Government also noted that, in its view, since the ACCC is an independent statutory authority, it is the responsibility of the ACCC to give effect to a number of the Commission's proposed enhancements to the monitoring regime as it sees fit.

The Government response provided agreement to the Commission's recommendations on landside access to airports.

- The Minister for Agriculture, Fisheries and Forestry, the Hon. Joe Ludwig, announced a new national framework for drought management and preparedness on 27 April 2012, (Ludwig 2012). As part of these reforms, and in line with recommendations in the Commission's 2009 report on government drought support, Exceptional Circumstances Interest Rate Subsidies concluded on 30 June 2012.
- On 23 May 2012, the Attorney General, the Hon. Nicola Roxon, introduced the *Legislative Instruments Amendment (Sunsetting Measures) Bill 2012* into Parliament (Roxon 2012). The Bill is consistent with a recommendation in the Commission's 2011 report *Identifying and Evaluating Regulation Reforms* that more flexibility be introduced into the Legislative Instruments Act to enable thematic reviews of related instruments. It also provides for greater smoothing of dates when older instruments must sunset, which is also consistent with the Commission's report. In introducing the Bill into Parliament, the Attorney General stated:

The Productivity Commission, in its 2011 report *Identifying and Evaluating Regulation Reforms*, expressed concern about the mass expiry of instruments from 2015. They identified an increased risk that instruments will be remade without adequate review and without proper consultation with business and other stakeholders. The Commission noted that the sheer quantity of instruments required to be remade by government increases the risk that business and other stakeholders will not have sufficient time to make a meaningful contribution to any review.

Consistent with the recommendations of the Productivity Commission, the purpose of this bill is to smooth these sunsetting peaks and to encourage high-quality consultation

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before regulations and legislative instruments are remade. It is also intended to ensure the information on the Federal Register of Legislative Instruments is current.

- The Australian Government released its *Living Longer, Living Better* aged care reform package, which included a response to the Commission's aged care report, in May 2012 (Australian Government 2012b). A number of recommendations from the Commission's report were supported, and adopted in the *Living Longer, Living Better* reforms. These included:
  - the establishment of an Aged Care Reform Council
  - that no deductions will be permitted from the bonds paid for residential care accommodation
  - new 'intermediate level' community care packages
  - the establishment of an initial care Gateway (but not accompanied by a move to an aged care entitlement as the Commission had recommended)
  - a review of the reforms after five years
  - the establishment of an aged care data clearing house.

Recommendations on respite care, carer support arrangements, sub-acute health services and palliative care were also supported. The government also supported recommendations to separate the policy settings for the major cost components of aged care; and that a life-time stop-loss provision for care costs be introduced.

The Government did not accept a number of the Commission's recommendations, including those on establishing an Aged Care Home Credit scheme, establishing an Aged Pensioners Savings Account and establishing an independent regulatory agency. While the government announced a comprehensive (income and asset) means test for care contributions in residential care only (rather than in all settings as recommended by the Commission), the principal residence has been excluded from the means test for care (a measure that had been recommended by the Commission to improve the long-term fiscal sustainability of the aged care system).

- The Australian Government released a final response to the Commission's 2011 report on rural research and development corporations in July 2012 (Australian Government 2012a). The Government agreed or agreed in principle to thirteen of the Commission's recommendations. These included recommendations on public funding principles, industry requests for marketing, evaluations and performance reviews, specific maximum levy rates, government matching

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funding, annual monitoring and reporting, and government representation on Research and Development Corporation (RDC) Boards. The Government did not agree with four of the Commission's recommendations, including on halving the cap on government matching contributions to RDCs in conjunction with the introduction of a new subsidy above the cap, and on the possible establishment of a new RDC, Rural Research Australia.

Governments have not always agreed with or accepted the Commission's advice, at least initially. Nevertheless, a review of the Commission's inquiries since its inception in 1998 shows that governments typically adopted a substantial majority of recommendations and generally endorsed its findings (details are provided in table B.7). Further, an assessment of the nature and extent of references made to material in the Commission inquiry reports suggests that those reports have materially contributed to policy debates in Federal, State and Territory Parliaments, as well as more generally within the media and general community.

**Table B.7 Impact of Commission inquiry reports on government policy making<sup>a</sup>**

<i>Inquiry report</i>	<i>Government response to Commission findings and/or recommendations</i>
1 Australian Black Coal Industry (July 1998)	The Australian Government supported all of the Commission's recommendations and intended to work with the New South Wales and Queensland Governments to ensure their implementation.
2 International Air Services (September 1998)	The Government agreed to implement substantial liberalisation of the regulatory framework, though not to offer unrestricted access to Australia's major airports nor to remove cabotage restrictions.
3 Pig and Piguemeat Industries: Safeguard Action Against Imports (November 1999)	The Government concurred with the Commission's findings on safeguard action; eschewing tariff and quota restrictions and opting for adjustment assistance for the industry.
4 Nursing Home Subsidies (January 1999)	The Government accepted a range of Commission recommendations but rejected others. The report continues to be a key reference in Parliament, State and community debate on aged care.
5 Implementation of Ecologically Sustainable Development by Commonwealth Departments and Agencies (May 1999)	The formal government response to the report and a postscript on implementation indicate substantial support for the Commission's proposals for integrating ESD principles in decision making and agency reporting and for improvements in data collection.
6 Progress in Rail Reform (August 1999)	The Australian Government broadly endorsed a number of the Commission's recommendations relating to areas of its responsibility. In other areas, it deferred consideration of Commission recommendations, contingent on progress with reform within existing institutional arrangements.
7 International Telecommunications Market Regulation (August 1999)	The Government endorsed nearly all of the Commission's principal findings.
8 Impact of Competition Policy Reforms on Rural and Regional Australia (September 1999)	The Government cited the evidence of the benefits of national competition policy to rural and regional Australia and endorsed the thrust of the Commission's recommendations. The Commission's findings on the impacts of competition reforms and the wider economic and social drivers of change were used in parliamentary debates, in national competition policy processes and wider community debate on competition policy.
9 International Liner Cargo Shipping (September 1999)	The Government accepted all of the Commission's key recommendations.

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| 10 | Australia's Gambling Industries (November 1999)                             | The report was welcomed by the Prime Minister as the first comprehensive investigation of the social and economic impacts of gambling in Australia; it is being used extensively in policy debates in the States and Territories, with a number of its proposals being adopted; and it is the prime reference source on problem gambling for community groups and the media. The report remains a major reference point in community discussion of gambling issues in Australia.               |
| 11 | Broadcasting (March 2000)   | The Government did not formally respond to the report. Nevertheless, the report is still referred to in parliamentary and wider community debate on foreign ownership, the cross-media rules, the regulation of digital TV and datacasting and indigenous broadcasting; and policy analysts and the media continue to cite it regularly. The Government made some references to the report when introducing its Broadcasting Services Amendment (Media Ownership) Bill 2006.                   |
| 12 | Review of Australia's General Tariff Arrangements (July 2000)               | In December 2000 the Government rejected the Commission's recommendations to remove the 3 per cent duty on business inputs under the Tariff Concession System and the 5 per cent general tariff rate, but agreed to overhaul the by-law system. In its 2005-06 Budget, the Government announced removal of the 3 per cent tariff applying to business inputs imported under a tariff concession order, effective from 11 May 2005.   |
| 13 | Review of Legislation Regulating the Architectural Profession (August 2000) | Responsibility for regulating architects lies with the States and Territories. The Working Group developing a national response to the report rejected the Commission's preferred option to repeal Architects Acts and remove statutory certification. However, it supported a range of Commission proposals to remove anti-competitive elements in legislation regulating the architectural profession.   |
| 14 | Review of the Prices Surveillance Act (August 2001)                         | While agreeing to repeal the Prices Surveillance Act, the Government decided to retain more extensive price controls and processes in the Trade Practices Act than recommended by the Commission.  |
| 15 | Cost Recovery by Government Agencies (August 2001)                          | The Government's interim response indicated substantial agreement with the Commission's recommendations. Recommendations on the design of cost recovery arrangements and improvements to agency efficiency would be examined in detail with affected agencies and addressed in preparing the Government's final response.  |
| 16 | Telecommunications Competition Regulation (September 2001)                  | The Government moved to speed up dispute resolution processes consistent with the Commission's draft report proposals. In its legislative response to the final report, the Government endorsed the thrust of the Commission's recommendations by retaining the telecommunications-specific parts of the competition regime, providing greater upfront certainty for investors and implementing a number of other recommendations. It did not maintain the recommended merit appeal processes. |

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Table B.7 (continued)

<i>Inquiry report</i>	<i>Government response to Commission findings and/or recommendations</i>
17 Review of the National Access Regime (September 2001)	The Government endorsed the majority of the Commission's recommendations on the national access regime, in particular the provision of clearer directions to regulators and greater certainty for investors.
18 Review of Certain Superannuation Legislation (December 2001)	The Government agreed that legislative changes were needed to reduce compliance costs, would implement a number of Commission recommendations and further examine others, but did not accept proposed reforms to institutional arrangements for handling complaints. In a subsequent response to a report by the Superannuation Working Group, the Government effectively supported the Commission's recommendations to license superannuation trustees and for trustees to submit a risk management statement.
19 Price Regulation of Airport Services (January 2002)	The Government supported all of the major elements of the Commission's preferred approach for a light-handed regulatory regime, involving a 'probationary' period of price monitoring.
20 Citrus Growing and Processing (April 2002)	The Government stated that the Commission's report had enabled the concerns of the Australian citrus industry about its competitive situation and outlook to be carefully examined. It subsequently endorsed all of the Commission's recommendations covering trade negotiations, market access arrangements, export control arrangements and review, and industry compliance costs.
21 Independent Review of the Job Network (June 2002)	The Government stated the report was a significant and authoritative examination of the Job Network and agreed with a number of Commission recommendations. It had already changed the design of some Job Network features on the basis of the Commission's draft report. However, the Government did not support some key Commission recommendations at present, but would give consideration to them as employment services policy evolves.
22 Radiocommunications (July 2002)	The Government accepted most of the Commission's recommendations but would further consider whether spectrum licences should be issued in perpetuity and some other matters. Six recommendations were rejected, the most significant of which dealt with changes to competition rules and ministerial discretion on limits to spectrum acquisition in auctions.
23 Review of Section 2D of the Trade Practices Act 1974: Local Government Exemptions (August 2002)	The Government accepted the Commission's recommendation that section 2D be repealed and replaced with a section stating explicitly that Part IV of the Trade Practices Act only applies to the business activities of local government.

24	Economic Regulation of Harbour Towing and Related Services (August 2002)	The Government accepted all the Commission's recommendations, with minor modifications relating to the implementation of price monitoring.
25	Review of Automotive Assistance (September 2002)	The Government endorsed the Commission's findings on post-2005 tariff reductions and transitional adjustment assistance for the industry (though with an additional \$1.4 billion, over 10 years, than preferred by the Commission), agreed with many of the Commission's findings on other assistance and industry matters, and announced a further inquiry by the Commission in 2008.
26	Review of TCF Assistance (July 2003)	The Government accepted the Commission's preferred tariff option and quantum of transitional assistance, though with some variations in the components of that support package.
27	National Workers' Compensation and Occupational Health and Safety Frameworks (March 2004)	The Government initially did not support key elements of the Commission's proposed national framework model and deferred consideration of recommendations relating to design elements for workers' compensation schemes and OHS pending advice from a new tripartite body, the Australian Safety and Compensation Council. Subsequently, the Government has expanded access to self-insurance arrangements for firms and enacted other legislative changes consistent with the Commission's recommendations.
28	First Home Ownership (March 2004)	The Government supported recommendations relating to areas of State responsibility but not those relating to reviews of the personal income taxation regime and the housing needs of low income households nor changes to the First Home Owner Scheme.
29	Impacts of Native Vegetation and Biodiversity Regulations (April 2004)	The Government announced that it supported the Commission's recommendations and would pursue implementation by the States and Territories through the COAG process.
30	Review of the Disability Discrimination Act 1992 (April 2004)	The Government accepted a majority of the Commission's 32 recommendations in full, in principle or in part. Many of the Commission's most significant recommendations were adopted including legislative change to clarify the reasonable adjustment duty implied in the Act but, importantly, also to strengthen and/or extend existing safeguard mechanisms.
31	Review of the Gas Access Regime (June 2004)	The Ministerial Council on Energy supported the Commission's key recommendations.

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Table B.7 (continued)

<i>Inquiry report</i>	<i>Government response to Commission findings and/or recommendations</i>
32 Review of Part X of the Trade Practices Act 1974: International Liner Cargo Shipping (February 2005)	The Government did not support the Commission's preferred policy option of repealing Part X of the Trade Practices Act and subjecting the liner shipping cargo industry to general competition law. The Government decided to retain Part X but to amend it, however, in a manner consistent with other options in the Commission's report.
33 Review of National Competition Policy Reforms (February 2005)	The Government stated that the response to the Commission's recommendations would be the outcome of COAG's review of national competition policy. COAG drew on the Commission's analysis of the benefits of past national competition policy reforms and important elements of COAG's National Reform Agenda reflect the Commission's recommendations and approach.
34 Smash Repair and Insurance (March 2005)	The Government agreed with the Commission's key recommendations on the development and nature of a voluntary code of conduct for the smash repair and insurance industries. A Motor Vehicle Insurance and Repair Industry Code of Conduct commenced on 1 September 2006.
35 Australian Pigmeat Industry (March 2005)	The Government in effect endorsed the bulk of the Commission's findings and, importantly, did not commit to additional industry-specific assistance measures.
36 The Private Cost Effectiveness of Improving Energy Efficiency (August 2005)	The Government has announced agreement with all of the Commission's recommendations and that it would work with the States, through the Ministerial Council on Energy, to consider the Commission's findings and analysis.
37 Conservation of Australia's Historic Heritage Places (April 2006)	While the Government agreed with the Commission that private owners should not have unreasonable costs imposed on them by heritage listing, it was not attracted to the Commission's key recommendation that private owners be given an additional appeal right on this basis. The Government also rejected recommendations that all levels of government recognise and separately fund the heritage responsibilities of non-heritage agencies as community service obligations and for transparency in reporting heritage-related expenditures and costs.
38 Waste Management (October 2006)	The Government endorsed the overarching principle of subjecting all waste policies to rigorous cost-benefit analysis and other elements of best-practice regulation making but rejected the Commission's broad policy framework recommendations. The Commonwealth endorsed a range of other recommendations including those on the assessment of plastic bag regulation; the 2008 review of the National Packaging Covenant; avoidance of mandatory standards for recycled content in products; the supply of factually accurate, relevant and publicly accessible information on the risks, costs and benefits of waste management issues; and leaving the provision of waste-exchange services to private markets.

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| 39 | Tasmanian Freight Subsidy Arrangements (December 2006)                             | In response to the Commission's draft report proposals that the subsidy schemes be phased out or abolished, the Government announced that both the Tasmanian Freight Equalisation Scheme and the Tasmanian Wheat Freight Scheme would continue. The Commission's final report focused on reforms which would improve the efficiency and effectiveness of the schemes and the Government agreed with the Commission's substantive recommendations.  |
| 40 | Review of Price Regulation of Airport Services (December 2006)                     | The Government announced that it supported nearly all of the Commission's recommendations on a new price monitoring regime for airport services.   |
| 41 | Road and Rail Freight Infrastructure Pricing (December 2006)                       | COAG announced in April 2007 that it broadly endorsed the reform blueprint proposed by the Commission. Further, it accepted the Commission's finding that the road freight industry is not subsidised relative to rail freight on either the inter-capital corridors or in regional areas and that the appropriate focus for policy reform is on enhancing efficiency and productivity within each mode.   |
| 42 | Safeguards Inquiry into the Import of Pigmeat (Accelerated Report) (December 2007) | On 20 December 2007 the Minister for Agriculture, Forestry and Fisheries announced the Commission had found that provisional safeguard measures on pigmeat imports were not warranted and that, consistent with Australia's international obligations, the WTO would be notified accordingly.  |
| 43 | The Market for Retail Tenancy Leases in Australia                                  | A government response was tabled in Parliament on 27 August 2008. The Government agreed or agreed in-principle to the Commission's recommendations on the use of simple (plain English) language in all tenancy documentation; contact points for information on lease negotiation, lease registration and dispute resolution; harmonisation of retail tenancy legislation across jurisdictions; and the possible introduction of a code of conduct for the retail tenancy market as an alternative to prescriptive legislation. The Commonwealth did not support the Commission's recommendation that state and territory governments remove restrictions that provide no improvement in operational efficiency, compared with the broader market for commercial tenancies. |
| 44 | Safeguards Inquiry into the Import of Pigmeat (March 2008)                         | A government response was tabled in Parliament on 4 June 2008. The response provided agreement or in-principle agreement to all of the Commission's recommendations. The response noted that the Commission's accelerated report found that provisional safeguard action could not be taken against pigmeat imports at that time. It further noted that the Commission's final report also found that safeguard action was not justified because increased imports had not caused and were not threatening to cause serious injury to the domestic industry. Accordingly, on 8 April 2008, the Government notified the WTO that the safeguards investigation had been terminated, and that it would not impose safeguard measures.   |

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Table B.7 (continued)

<i>Inquiry report</i>	<i>Government response to Commission findings and/or recommendations</i>
45 Review of Australia's Consumer Policy Framework (May 2008)	<p>In its communiqué of 2 October 2008, COAG announced that it had agreed to a new consumer policy framework comprising a single national consumer law based on the Trade Practices Act 1974 and drawing on the recommendations of the Commission and best practice in State and Territory consumer laws. In addition, COAG is also reviewing occupational regulations only applying in one or two jurisdictions, which the Commission indicated warranted early attention. In accordance with a further Commission recommendation, on 22 July 2008 the Assistant Treasurer also announced changes to the configuration of the Commonwealth Consumer Affairs Advisory Council (CCAAC).</p> <p>Legislation to fully implement the new consumer law (including new provisions based on best practice in existing State and Territory laws); and to implement the new national legislative and regulatory framework for product safety, was introduced in 2010.</p>
46 Government Drought Support (May 2009)	<p>On 28 June 2010, the Australian Government announced that, in partnership with the Western Australian Government, it would conduct a pilot of drought reform measures from 1 July 2010 to 30 June 2011. The pilot reform measures draw partly on a number of recommendations made in the Commission's report, in particular regarding interest rate subsidies and farm exit support.</p> <p><i>Subsequently, on 27 April 2012, the Minister for Agriculture, Fisheries and Forestry, the Hon. Joe Ludwig, announced a new national framework for drought management and preparedness (Ludwig 2012). As part of these reforms, and in line with recommendations in the Commission's report, Exceptional Circumstances Interest Rate Subsidies concluded on 30 June 2012.</i></p>
47 Paid Parental Leave (February 2009)	<p>As part of the 2009-10 Budget, the Australian Government announced its intention to introduce a Paid Parental Leave scheme. The scheme introduced was closely based on that proposed in the Commission's final inquiry report. The Government included an income test in the eligibility rules which was not recommended by the Commission, and the Government initially deferred consideration of the two weeks paternity leave that was recommended by the Commission. Otherwise, the features of the Government's scheme reflected those recommended by the Commission.</p> <p>Subsequently, in 2011 the Government introduced provision for two weeks paternity leave in line with the Commission's recommendation.</p>

- 48 Australia's Anti-dumping and Countervailing System (December 2009) The Government announced a response to the Commission's report on 22 June 2011 (Australian Government 2011d). The Government agreed or agreed in-principle with 15 of the report's 20 recommendations. These covered a range of issues, including working groups to examine the close processed agricultural goods provisions; not adopting the practice of zeroing; updating actionable subsidies to align with the latest relevant WTO agreements; arrangements for Custom to seek extensions of investigation periods; the introduction of a 30-day time limit for the Minister to make decisions; adequate resourcing for Customs and Border Protection and the Trade Measures Review Officer; advice to the Minister in investigation reports of the details of comparable recent cases in other countries; consultation with the ABS regarding better access to import data; and a five-year review of proposed reforms. The Government did not accept the Commission's recommendation concerning the introduction of a public interest test.
- 49 Executive Remuneration (December 2009) On 16 April 2010 the Government released a detailed response to the Commission's report. Of the 17 recommendations in the report the Government provided acceptance or in-principle acceptance to 16, with six of the in-principle acceptances provided by the Government subject to additional further strengthening. The Government did not support one recommendation on the removal of cessation of employment as a trigger for the taxation of deferred employee share schemes. It stated that, in its view, removal would increase the concessionality of schemes, providing a disproportionately large benefit to higher-income employees.
- 50 Gambling (February 2010) The Australian Government released an initial response to the Commission's report on 23 June 2010. In responding in brief to the report the Government stated that it supported key reform directions to minimise the harm caused by problem gambling. The Government did not agree with the Commission's recommendation to allow for the partial liberalisation of online gambling.
- 51 Wheat Export Marketing Arrangements (July 2010) On 23 September 2011 the Government released a response to the Commission's report on wheat export marketing arrangements (Australian Government 2011f). The Government agreed in-principle with the Commission's recommendations to abolish the Wheat Export Accreditation Scheme, Wheat Exports Australia and the Wheat Export Charge on 30 September 2011, and remove the access test requirements for grain port terminal operators on 30 September 2014. However it proposed a more gradual, three-stage approach in transitioning to full market deregulation.

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Table B.7 (continued)

<i>Inquiry report</i>	<i>Government response to Commission findings and/or recommendations</i>
52 Rural Research and Development Corporations (February 2011)	<p>The Australian Government released a preliminary government response to the Commission's report on Rural Research and Development Corporations on 15 June 2011. The response stated that, while the Government acknowledged that improvements can be made to the RDC model, it would not adopt the Commission's recommendation to halve the cap on government matching contributions to RDCs in conjunction with the introduction of a new subsidy above the cap. The Government also stated that it would develop a more detailed final response to the report.</p> <p><i>The Government released a final response to the report in July 2012 (Australian Government 2012). The Government agreed or agreed in principle to thirteen of the Commission's recommendations. These included recommendations on public funding principles, industry requests for marketing, evaluations and performance reviews, specific maximum levy rates, government matching funding, annual monitoring and reporting, and government representation on RDC Boards. The Government did not agree with four of the Commission's recommendations, including on halving the cap on government matching contributions to RDCs in conjunction with the introduction of a new subsidy above the cap, and on the possible establishment of a new RDC, Rural Research Australia.</i></p>
53 <i>Caring for Older Australians</i>	<p><i>The Australian Government released its Living Longer. Living Better. aged care reform package, which included a response to the Commission's report, in May 2012 (Australian Government 2012b). A number of recommendations from the Commission's report were supported, and adopted in the Living Longer. Living Better reforms. These included the establishment of an Aged Care Reform Council; that no deductions will be permitted from the bonds paid for residential care accommodation; new 'intermediate level' community care packages; the establishment of an initial care Gateway (but not accompanied by a move to an aged care entitlement as the Commission had recommended); a review of the reforms after five years; and the establishment of an aged care data clearing house.</i></p> <p><i>The Government did not agree with a number of the Commission's recommendations, including those on establishing an Aged Care Home Credit scheme, establishing an Aged Pensioners Savings Account and establishing an independent regulatory agency. While the government announced a comprehensive (income and asset) means test for care contributions in residential care only (rather than in all settings as recommended by the Commission), the principal residence has been excluded from the means test for care (a measure that had been recommended by the Commission to improve the long-term fiscal sustainability of the aged care system).</i></p>

- 54 Disability Care and Support
- On 10 August 2011 the Australian Government provided an initial response to the Commission's report (Gillard et al. 2011). The response supported 'the Productivity Commission's vision for a system that provides individuals with the support they need over the course of their lifetime, and wants reform of disability services that is financially sustainable.' The response stated that, in line with Commission recommendations, work on technical policy work would include development of common assessment tools to determine eligibility for support; development of service and quality standards; development of a national pricing structure; and capacity building in the disability sector, including in relation to the workforce.
- On 25 July 2012, COAG noted progress in establishing the first stage of a National Disability Insurance Scheme (NDIS) from July 2013, drawing on the Commission's August 2011 report on Disability Care and Support. COAG stated that the Commonwealth has reached in-principle agreement with South Australia, Tasmania and the Australian Capital Territory for a launch to commence from July 2013 (COAG 2012).*
- 56 *Economic Structure and Performance of the Australian Retail Industry*
- On 9 December 2011 the Australian Government released its response to the Commission's report on the Australian retail industry (Conroy, O'Connor, Sherry and Shorten 2011). The Government agreed, or agreed in principle, with eight recommendations and noted four recommendations. The Government welcomed the staged approach recommended by the Commission to the issue of the appropriate level of the Low Value Threshold. This involved establishing a Taskforce to investigate improved approaches to processing low value parcels and then reassessing the extent to which the Threshold could be reduced.
- 57 *Economic Regulation of Airport Services*
- On 30 March 2012 the Minister for Infrastructure and Transport, the Hon Anthony Albanese, and the Assistant Treasurer and Minister Assisting for Deregulation, the Hon David Bradbury, released a response to the Commission's 2011 report on airport regulation (Albanese and Bradbury 2012). In responding to the report, the Government broadly accepted the Commission's recommendations, but did not fully implement its proposed approach. The Government agreed in principle with the Commission's recommendations to continue monitoring and improve the operation of the regime through enhancements to the monitoring approach. However, the Government also noted that, in its view, since the ACCC is an independent statutory authority, it is the responsibility of the ACCC to give effect to a number of the Commission's proposed enhancements to the monitoring regime as it sees fit. The Government response provided agreement to the Commission's recommendations on landside access to airports.

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<sup>a</sup> Additions or significant changes to the table published in the 2010-11 Annual Report are indicated in italics.

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### *Website and media coverage*

Other measures of the Commission's usefulness in contributing to public understanding are the use of its website and media coverage of its reports.

- In the 12 months to June 2012 there were more than 272 000 external requests for the index pages of inquiries and government-commissioned research studies current in 2011-12. The projects of most interest were the inquiries on aged care (60 027 requests), disability support (41 404 requests) and Australia's retail industry (28 931 requests), and the research studies on the early childhood development workforce (18 146 requests) and COAG reforms (11 297 requests). Other heavily accessed web pages were for the 2011 and 2012 *Report on Government Services* (25 333 and 22 603 requests, respectively) and the 2011 *Overcoming Indigenous Disadvantage: Key Indicators* report (25 900 requests). Speeches by the Commission's Chairman attracted more than 55 000 requests over the year. Even after an inquiry or research study is completed, community interest can remain high. For example, during the year, the web pages for the Commission's 2009 inquiry on Australia's gambling industries received over 38 000 requests; and the Commission's 2010 study of the contribution of the not-for-profit sector received over 26 000 requests.
- Inquiry and commissioned research reports typically receive wide media coverage. In 2011-12 there were 61 editorials in major newspapers on Commission inquiries and commissioned research studies. These included the Commission's inquiry reports on the retail industry, aged care, gambling and disability care and support, and studies on international carbon policies and the impacts and benefits of COAG reforms.
- Inquiries current in 2011-12 received over 5 100 mentions in the print and broadcast media during the year — over 64 per cent of total print and broadcast media coverage. Coverage of the Commission's inquiries into disability and retail accounted for a significant share of total mentions. New work suggestions accounted for around 10 per cent of total mentions.

### *Invited presentations*

A measure of the usefulness of the Commission's inquiry and other government-commissioned reports in contributing to public understanding of policy issues is the 75 invitations the Commission accepted in 2011-12 to present papers on inquiries and commissioned studies to business, community and other groups — in particular, on the Commission's climate change adaptation and aged care inquiries (table E.1).

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## **Performance reporting and other services to government bodies**

At the request of the Government, the Commission undertakes a number of major activities in this output group. It provides secretariat, research and report preparation services to the Steering Committee for the Review of Government Service Provision in respect of the annual Report on Government Services; the regular Overcoming Indigenous Disadvantage report; the two yearly Indigenous Expenditure Report; and the collation of performance data under the Intergovernmental Agreement on Federal Financial Relations, in support of the analytical role of the COAG Reform Council.

### **Activities in 2011-12**

Publications arising from the Commission's performance reporting activities this year were:

- Report on Government Services 2012, two volumes (and supporting tables on website, January 2012)
- Report on Government Services 2012: Indigenous Compendium (April 2012)
- Overcoming Indigenous Disadvantage: Key Indicators 2011 (August 2011)
- National Agreement performance information 2010-11: National Healthcare Agreement (December 2011)
- National Agreement performance information 2010-11: National Affordable Housing Agreement (December 2011)
- National Agreement performance information 2010-11: National Disability Agreement (December 2011)
- National Agreement performance information 2010-11: National Indigenous Reform Agreement (December 2011)
- National Agreement performance information 2011: National Agreement for Skills and Workforce Development (June 2012)
- National Agreement performance information 2011: National Education Agreement (June 2012)
- National Partnership Agreement on Essential Vaccines: 1 April 2011-31 March 2012 Performance Report (May 2012)
- National Partnership Agreement on Youth Attainment and Transitions: Participation-2010 Performance Report (August 2011)

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- 2010 Indigenous Expenditure Report Supplement (15 September 2011)
  - 2012 Indigenous Expenditure Report (4 September 2012)
  - Expenditure Data Manual: 2012 Indigenous Expenditure Report (4 September 2012)
  - Service Use Measure Definitions Manual: 2012 Indigenous Expenditure Report (4 September 2012).

### *Review of Government Service Provision*

Heads of Government (now the Council of Australian Governments or COAG) established the Review of Government Service Provision (the Review) to provide information on the equity, efficiency and effectiveness of government services in Australia.

In 2009, COAG endorsed the findings and recommendations of a high level review of RoGS. COAG recognised the RoGS as ‘the key tool to measure and report on the productive efficiency and cost effectiveness of government services’ and in 2010 agreed to a new terms of reference and charter of operations for the Review, as well as a new terms of reference for the RoGS ([www.pc.gov.au/gsp/review/tor](http://www.pc.gov.au/gsp/review/tor); COAG 2010).

As part of its Reconciliation Agenda, COAG requested in 2002 that the Review produce a regular report against key indicators of Indigenous disadvantage (the Overcoming Indigenous Disadvantage (OID) report). In March 2009, the Prime Minister provided updated terms of reference for the report, requesting the Steering Committee to align the OID framework with COAG’s six high level targets for Closing the Gap in Indigenous outcomes.

In November 2008, COAG endorsed a new Intergovernmental Agreement on Federal Financial Relations (IGA). Under the reforms, the Steering Committee has ‘overall responsibility for collating the necessary performance data’ required for the COAG Reform Council to undertake its assessment, analytical and reporting responsibilities.

In February 2011, COAG transferred responsibility for the Indigenous Expenditure Report from a separate IER Steering Committee (for which the Productivity Commission provided Secretariat support) to the Steering Committee for the Review of Government Service Provision (for which the Productivity Commission also provides support).

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## *Report on Government Services*

The seventeenth Report on Government Services was released in January 2012. The Report focuses on the equity, effectiveness and efficiency of government service provision.

Reporting is an iterative process. Working Groups for all service areas have strategic plans to refine performance measures and to improve the quality of information published in the Report. Since the first Report was published in 1995, there have been significant advances in both the scope of reporting and the quality and comprehensiveness of data.

There was a focus on streamlining in the 2012 Report. Sector summaries for all service areas were reported for the first time in the 2012 report. In many service areas, indicators with similar characteristics were reported as separate measures under new high level indicators; redundant or impractical indicators were removed. There was also an expansion of time series reporting in many chapters and inclusion of additional data quality information for many indicators.

Particular improvements in the 2012 Report include:

- children's services —refining the presentation of indicators and measures reported, including specification as to whether the indicator relates to the child care or preschool or both; an additional measure on children using child care indicator — average hours of attendance at Australian Government approved child care; inclusion of contextual information on integrated children's services
- school education —consolidating reporting on learning outcomes; further aligning with National Education Agreement (NEA) and National Indigenous Reform Agreement (NIRA) indicators; disaggregating learning outcomes by parental education and occupation; reporting 2010 Civics and Citizenship National Assessment Program (NAP) outcomes; and improving reporting on VET in schools
- vocational education and training — reporting additional participation and outcome data for Indigenous students; and expansion of time series data for several indicators
- police services — updating reporting to recognise the break in series for the ABS collection *Recorded Crime – Victims 2010*; reporting deaths in custody on more timely financial year basis; replacing the 'costs awarded against the police in criminal actions' with a more meaningful indicator 'percentage of prosecutions where costs were awarded against the police'
- road rescue and ambulance — reporting additional measures for the fire deaths, structure fire response times and confinement to room of origin indicators

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- public hospitals —reporting national data from the Australian Bureau of Statistics (ABS) *Patient Experience Survey 2010-11* under the ‘Patient satisfaction’ indicator
  - primary and community health — reporting updated data on ‘availability of public dentists’; reporting on ‘participation for women in breast cancer screening’ for the first time in this chapter; improved timeliness of data for ‘notifications of selected childhood diseases’
  - mental health management — including the six new indicators: ‘new client index’; ‘mental health service use by total population’; ‘primary mental health care for children and young people’; ‘rates of use of licit and illicit drugs that contribute to mental illness in young people’; ‘mental health outcomes of consumers of specialised public mental health services’ and ‘social and economic inclusion of people with a mental illness’
  - aged care — reporting new measures for: the residential care ‘use by different groups’ indicator; the ‘cost per unit of output’ indicator’ and the ‘expenditure per head of target population indicator
  - services for people with disability — reporting on new indicator ‘Labour force participation of primary carers of people with a disability’ for the first time; updating data from the Survey of Disability, Ageing and Carers (SDAC) 2009 for the indicators ‘Access to NDA specialist disability services’, ‘Service use by severity of disability’, ‘Service use by special needs groups’, ‘Labour force participation and employment with people with disability’, ‘Labour force participation of primary carers of people with disability’, ‘Social participation of people with disability’ including data reporting unmet need reported for the first time; reporting more complete data for the ‘Quality assurance’ indicator
  - protection and support services — reporting more complete data for proportions of expenditure across child protection Pathway activity groups and experimental unit cost data for selected Pathways activity groups; sourcing juvenile justice profile data for most jurisdictions from the Juvenile Justice National Minimum Data Set (JJ NMDS) and improving the method of calculation
  - housing — including a single social housing performance indicator framework, replacing the separate performance indicator frameworks for public housing, SOMIH, community housing and Indigenous community housing; and simplifying and restructuring CRA reporting.

The Review continues efforts to improve reporting on the provision of mainstream services to Indigenous Australians. The Indigenous Compendium to the Report, released in April 2012, provides an easily accessible collation of all Indigenous data from the Report.

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### *Overcoming Indigenous Disadvantage: Key Indicators*

In 2002, COAG commissioned the Review to produce a regular report on key indicators of Indigenous disadvantage, 'to help to measure the impact of changes to policy settings and service delivery and provide a concrete way to measure the effect of the Council's commitment to reconciliation through a jointly agreed set of indicators' (COAG Communiqué, 5 April 2002). In March 2009, the terms of reference were updated in a letter from the Prime Minister. The new terms of reference align the OID framework with COAG's six high level targets for Closing the Gap in Indigenous outcomes. The structure of the aligned framework remains very similar to that of previous reports, but highlights the COAG targets and priority areas for reform and includes additional indicators.

The 2011 edition of the OID report was released in August. It showed that many Indigenous people have shared in Australia's recent economic prosperity, with increases in employment, incomes and home ownership. There have also been improvements in some education and health outcomes for Indigenous children. However, even where improvements have occurred, Indigenous people continue to have worse outcomes on average than other Australians, and many indicators have shown little or no change. In some key areas, particularly criminal justice, outcomes for Indigenous people have been deteriorating.

Following the release of the 2011 report, the Productivity Commission engaged the Australian Council for Educational Research to carry out a review of the report including extensive consultations with government agencies, researchers and Indigenous organisations across Australia. The review found widespread support for the report, and identified areas for improvement for future reports (ACER 2012).

### *Indigenous Expenditure Report*

In 2007, COAG agreed to the reporting of Indigenous expenditure. The Productivity Commission assumed secretariat responsibilities from November 2008. A Stocktake Report, including terms of reference for the report and a high level overview of the intended method and future development process, was endorsed by COAG in July 2009.

The inaugural Indigenous Expenditure Report (released on 28 February 2011) provided, for the first time, comprehensive and comparable information on expenditure by the Australian, State and Territory Governments on Indigenous specific services as well as the estimated Indigenous share of mainstream services. A supplement to the 2010 Indigenous Expenditure Report (released on 15 September 2011) complemented 2010 Report by providing estimates of

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Australian Government expenditure by state and territory. This enabled the estimation of the total government resources committed in each state and territory.

In February 2011, COAG transferred responsibility for the Indigenous Expenditure Report to the Steering Committee for the Review of Government Service Provision. The Productivity Commission continues to provide secretariat services for *Indigenous Expenditure Report* development through its support of the Review Steering Committee.

The 2012 Indigenous Expenditure Report, which is the second in the series, was released on 4 September 2012. It provides estimates of expenditure on services provided to Aboriginal and Torres Strait Islander people by the Australian Government, and State and Territory governments. Estimates are provided for each level of government, Australia as a whole, and by state and territory geographical basis, for 2008-09 and 2010-11.

The 2012 Report was supported by two companion manuals which documented in detail the methods, data sources and interpretation issues underpinning the estimates:

- 2012 Report Expenditure Data Manual
- 2012 Report Service Use Measure Definitions Manual.

Development of the 2014 *Indigenous Expenditure Report* has commenced and this third instalment in the series is expected to be released in mid-2014.

## **Quality indicators**

The Commission has a range of quality assurance processes in place for its performance reporting activities. These processes help to ensure that it is using the best information available and the most appropriate methodologies.

The Commission's work for the Review of Government Service Provision is guided by a Steering Committee. This Steering Committee consists of senior executives from each jurisdiction, chaired by the Chairman of the Productivity Commission, and serviced by a secretariat drawn from the staff of the Commission. The Committee, in turn, is supported by 14 national working groups comprising representatives from over 80 government agencies. It also draws on the expertise of other bodies such as the ABS and the Australian Institute of Health and Welfare (AIHW), and committees established under Standing Councils and COAG Working Groups.

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The Review has an ongoing program of consultation on the *Overcoming Indigenous Disadvantage* report. Following the release of the 2011 report, the Productivity Commission engaged the Australian Council for Educational Research to carry out a review of the report including extensive consultations with government agencies, researchers and Indigenous organisations across Australia.

## **Timeliness**

The 2012 Report on Government Services and its Indigenous Compendium, the *Overcoming Indigenous Disadvantage: Key Indicators 2011*, the six National Agreement reports and four National Partnership reports to the COAG Reform Council were completed on time.

## **Indicators of usefulness**

The usefulness of the Commission's performance reporting activities in contributing to policy making and public understanding is demonstrated by a range of indicators.

### *Review on Government Services*

The key task of the Report on Government Services (RoGS) is to provide information on the equity, effectiveness and efficiency of government services. The RoGS is used extensively in this regard:

- There were 33 mentions of performance information sourced to the 2012 (and earlier) editions of the Report in parliamentary proceedings by government and opposition members in Federal and State parliaments during 2011-12.
- In the 12 month period preceding the release of the 2012 RoGS, previous editions of the RoGS were cited in at least 21 publications, including: Indigenous Law Bulletin; Journal of Population Research; Children Australia; Policing and Society; Australian Economic Review; Australian New Zealand Journal of Public Health; International Journal of Mental Health; Issue Analysis; Housing Studies; Journal of the Australasian College of Road Safety; World Journal of Emergency Medicine; Abacus; and Project Safe Shelter, Submission of Project safe shelter in Canberra to the inquiry into the provision of Social Housing in the ACT; or by organisations: University of NSW, Faculty of Law Research; World Bank, Independent Evaluation Group; Brain Injury Australia; Ninti One Limited; Australian Council of Education Research; Australian Housing and Urban Research Institute; Monash University, Department of Economics; ACT Government.

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Other indicators of usefulness from 2011-12 were:

- endorsement of the general performance framework and approach to reporting by an Independent Reference Group
- the international Forum of Federations partnership with the Review secretariat in an international roundtable on 'Benchmarking in Federal Systems' (October 2010), which acknowledged the RoGS as best practice
- high levels of demand, with nearly 1550 bound copies of the 2012 Report distributed by the Commission and more than 19 000 HTML page requests for the Government Service Provision index page on the Commission's website in 2011-12. Earlier editions also continued to be accessed from the website
- extensive media coverage, including 126 press articles drawing on the report in the year to 30 June 2012
- RoGS data are also used by other researchers: for example, data on protection and support services were used in the AIHW's report Child Protection Australia (2009-10); data on VET course completions were used in the NT Government's How we're going data snapshots (2011); data on government real recurrent expenditure on VET per annual hour were used in Box Hill Institute's Response to the Vocational Education and Training Fee and Funding Review (1 July 2011), the Australian Education Union's response to the same (June 2011), in 'TAFE Funding and the Education Targets (Update)' by the ACER Centre for the Economics of Education and Training (Monash University) and in the South Australian Government submission to the GST Distribution Review Panel (September 2011); the NSW TAFE Commission Board submission to the NSW Government's review of the training sector 'Smart and Skilled: making NSW number one' reported declines in public VET funding (November 2011); various data on VET were used in News Update of the Association of Independent Schools of SA (15 February 2011); data on Australian Government funding for schools were used in a Parliament of Australia Background note (January 2011); data on total cost per casemix adjusted separation (recurrent cost plus Secretariat estimates of capital costs per casemix adjusted separation) were used in the AIHW's Australian Hospital Statistics (2010-11). RoGS' is referenced in ABS National Early Childhood Education and Care Collection Concepts, Sources and Methods Australia 2011, Data Collection Guide Australia 2011 (7 March 2012); National Report on Schooling (ACARA); and Southcott (6 March 2012) reports on use of RoGS' health data in the Alcohol Education and Rehabilitation Foundation's 2010 The Range And Magnitude Of Alcohol's Harm To Others report.
- There is also widespread use of the 2011 (and earlier) reports in OECD committee documents and working papers.

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### *Overcoming Indigenous Disadvantage: Key Indicators*

The principal task of the Overcoming Indigenous Disadvantage report is to identify indicators that are of relevance to all governments and Indigenous stakeholders, and that can demonstrate the impact of program and policy interventions. The then Prime Minister acknowledged the importance of the report when he issued revised terms of reference in March 2009:

Since it was first established in 2003, the OID report has established itself as a source of high quality information on the progress being made in addressing Indigenous disadvantage across a range of key indicators. The OID report has been used by Governments and the broader community to understand the nature of Indigenous disadvantage and as a result has helped inform the development of policies to address Indigenous disadvantage.

The Productivity Commission engaged the Australian Council for Educational Research to review the Overcoming Indigenous Disadvantage report in 2012, including extensive consultation with governments, Indigenous organisations and researchers. Overall, stakeholders had a positive view of the report and its usefulness but suggested that it could be further enhanced by focusing more on strengths and making clearer the involvement of Indigenous people in its development (ACER 2012).

### *National Agreement reporting*

COAG has requested that the Steering Committee provide to the CRC the agreed performance information for the CRC to undertake its assessment, analytical and reporting responsibilities (COAG communiqué July 2008). The Steering Committee's role relates to 'overall responsibility for collating the necessary performance data' for National Agreements [para C5(b)]. The IGA further specifies that 'the Steering Committee will comment on the quality of the performance indicator data using quality statements prepared by collection agencies' [para C12].

The main purpose of NA reporting is to support the CRC. The CRC participated in an internal evaluation of the third cycle of NA reporting, and noted that it was very happy with the Secretariat's performance. Feedback received from the Executive Councillor and Head of the CRC secretariat was that the Secretariat's performance was of an 'excellent' standard.

The Secretariat has also provided well-received advice on the National Performance Reporting System to a range of organisations and processes, including:

- advice to the CRC during its drafting of the six National Agreement reports and four National Partnership reports

- 
- advice to the Joint Committee on Parliamentary Accounts and Audit inquiry into national funding agreements
  - multiple NA and NP review working groups.

## **Competitive neutrality complaints activities**

The Australian Government Competitive Neutrality Complaints Office (AGCNCO) is an autonomous office located within the Commission. It is staffed on a needs basis from the resources of the Commission. As specified in the Productivity Commission Act and the Commonwealth Competitive Neutrality Policy Statement of June 1996, the role of the AGCNCO is to:

- receive and investigate complaints on the application of competitive neutrality to Australian Government businesses, and make recommendations to the Government on appropriate action
- provide advice and assistance to agencies implementing competitive neutrality, including undertaking research on implementation issues.

The AGCNCO aims to finalise most investigations and report to the Assistant Treasurer within 90 days of accepting a complaint although this is dependent, in part, on the timely co-operation of parties related to the complaint. The Office also aims to undertake reporting and associated activities that are of a high standard and useful to government.

### **Activities in 2011-12**

#### *Complaints activity*

The AGCNCO received four formal complaints during 2011-12 (table B.8). It also received numerous inquiries that involved considerable investigative work to determine whether a formal investigation of the complaint should be undertaken. Details of the complaints received, including the action taken, are reported in appendix C.

#### *Advice on the application and implementation of competitive neutrality*

An important role of the AGCNCO is to provide formal and informal advice on competitive neutrality matters and to assist agencies in implementing competitive neutrality requirements. During 2011-12, the AGCNCO provided advice around

twice a week, on average, to government agencies or in response to private sector queries either over the telephone or in ad hoc meetings.

The AGCNCO provides advice on all aspects of the implementation of competitive neutrality. Over the past year, in response to requests, the Office provided advice to a number of agencies implementing competitive neutrality policy into their business activities.

The Office also provided advice to a significant number of private sector parties on the arrangements in place for competitive neutrality complaints at the State, Territory and local government levels.

**Table B.8 Formal competitive neutrality complaints, 2007-08 to 2011-12**

<i>Activity</i>	<i>2007-08</i>	<i>2008-09</i>	<i>2009-10</i>	<i>2010-11</i>	<i>2011-12</i>
Written complaints received	1	0	0	6	4
Action:					
New complaints formally investigated	–	–	–	3 <sup>a</sup>	1
Complaints investigated but not proceeding to full report <sup>b</sup>	1	–	–	3	1
Complaints not investigated	1	–	–	–	2 <sup>d</sup>
Reports completed	1	–	–	–	2
Complaints on hand (30 June)	–	–	–	4 <sup>c</sup>	–

<sup>a</sup> These three complaints related to the same matter — the pricing and expected rate of return of NBN Co — and were investigated and reported on (in 2011-12) jointly. <sup>b</sup> Includes: complaints subject to preliminary investigation but for which no prima facie evidence of a breach of competitive neutrality policy was found; and complaints investigated and resolved through negotiation. <sup>c</sup> Includes three complaints relating to the same matter (NBN Co) plus one not proceeding to a full report. <sup>d</sup> The complaints did not relate to an Australian Government business.

## Quality indicators

Competitive neutrality complaint investigations and reporting engage the complainant, the government business in question, the competitive neutrality policy arms of the Australian Government and, as required, the government department within whose policy purview the business resides. The generally favourable feedback from all these parties on the integrity of the process and the usefulness of its outcomes — given that the AGCNCO’s reports assess competing interests — is the strongest evidence of the quality of the AGCNCO’s work.

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Where parties who received advice and assistance from the AGCNCO on competitive neutrality policy or its implementation have commented on the operation of the Office, their comments have been favourable.

Owing to their experience in dealing with competitive neutrality issues, the views of the staff of the AGCNCO on more complex matters are often sought by the Treasury and the Department of Finance and Deregulation — the departments responsible for competitive neutrality policy.

### **Timeliness**

The AGCNCO aims to report on complaint investigations within 90 days of accepting a formal complaint for investigation.

Formal investigations can require the Office to request significant amounts of information from complainants and the government business subject to complaint and, in some instances, extended periods of consultation. The timely co-operation of parties relevant to the complaint can also be variable. In these situations the Office is not always able to meet a 90-day time limit on formally reporting on complaints.

### **Indicators of usefulness**

The AGCNCO circulates its reports and research to State and Territory government agencies responsible for competitive neutrality policy and complaint investigations to facilitate the exchange of information and to share procedural experiences. Feedback from those agencies indicates that the AGCNCO makes a valuable contribution to the effective implementation of nation-wide competitive neutrality policy.

In response to its advice on implementing competitive neutrality as part of market-testing exercises, the AGCNCO understands that agencies have adjusted the estimation of their in-house cost bases in line with the Office's advice.

The AGCNCO continues to receive a range of informal comments suggesting that its outputs are contributing to better public understanding. For example, favourable comments continue to be received from government and private sector agencies on the usefulness of two AGCNCO publications — on cost allocation and pricing, and rate of return issues — in assisting their implementation of competitive neutrality policy. Although released in 1998, these research papers continue to be in demand and use.

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During 2011-12 there were close to 19 000 external requests to the website for AGCNCO investigation reports and research publications.

## **Supporting research and activities and statutory annual reporting**

While much of the Productivity Commission's research activity is determined externally, it has some discretion in meeting its legislative charter to undertake a supporting program of research and to report annually about matters relating to industry development and productivity, including assistance and regulation. The expectations for its supporting research program are that it will provide high quality, policy-relevant information, analysis and advice to governments and the community, of a nature and of a quality not being produced elsewhere. The research program aims to complement the Commission's other activities. The Commission also organises research conferences and workshops in order to advance the debate on policy issues, to encourage cutting-edge contributions, and to facilitate research networks.

The Commission aims to produce research reports which are of a high standard, timely and useful to government and which raise community awareness of microeconomic policy issues.

### **Activities in 2011-12**

The output of the Commission's annual reporting and supporting research program this year included:

- research to meet the Commission's annual reporting obligations, comprising
  - its annual report for 2010-11, tabled in Parliament on 28 October 2011, which focused on demographic change and related policy challenges
  - a companion publication on trade and assistance issues, released in June 2012
- published speeches by the Chairman on industry assistance, Australia's mining boom, independent policy advice and public policy in Australia, as well as several other presentations by the Chairman posted on the Commission's website
- the Richard Snape Lecture, *Political Economy of Reform in Mexico*, delivered by Dr Roberto Newell from the Mexican Institute for Competitiveness on 11 October 2011
- three Staff Working Papers on multifactor productivity growth cycles; productivity and the electricity, gas and water sectors; and Indigenous labour market outcomes

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- the maintenance of access to resource material on Australia's productivity performance (such as productivity estimates and analytical papers) on the Commission's website
  - other projects associated with inquiry and research support, technical research memoranda, assistance to other government departments, conference papers and journal articles.

The research publications produced in the supporting research program in 2011-12 are listed in box B.3. Research projects underway at 30 June 2012 are shown in box B.4.

### *Richard Snape Lectures*

The presentation by Dr Roberto Newell (a former senior partner at McKinsey and the inaugural President of the Mexican Institute for Competitiveness) was the ninth in a series of public lectures in memory of Professor Richard Snape, the former Deputy Chairman of the Commission, who died in October 2002. The series has been conceived to elicit contributions on important public policy issues from internationally recognised figures, in a form that is accessible to a wider audience. Previous lectures have been delivered by Max Corden, Anne Krueger (First Deputy Managing Director of the IMF, 2001–2006), Martin Wolf (associate editor and chief economics commentator at the Financial Times), Deepak Lal (James Coleman Professor of International Development Studies, University of California at Los Angeles), Patrick Messerlin (Director, Groupe d'Economie Mondiale, Institute d'Etudes Politiques de Paris), Vittorio Corbo (Governor of the Central Bank of Chile, 2003–2007), Professor Yu Yongding (Professor and former Director-General of the Institute of World Economics and Politics at the Chinese Academy of Social Sciences in Beijing), and Dr Mari Pangestu, Indonesia's Minister for Trade.

The next lecture will be given by Pascal Lamy (Director General of the World Trade Organization) on 'The Future of the World Trading System'.



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**Box B.4 Supporting research projects underway at 30 June 2012**

An analysis of the effect of product market competition on innovation and productivity in Australia

Tackling the tough problems in productivity measurement (ARC Linkage Grant)\*

Utilisation of social science research (ARC Linkage Grant)\*

Sustainability: What does it mean?

Productivity in manufacturing

Overcoming entrenched disadvantage

The use and misuse of multipliers in policy analysis

The use of subjective data in economic policy analysis

Environmental indicators

\*Collaborative projects. Information on individual research projects is available from the Commission's website, [www.pc.gov.au](http://www.pc.gov.au).

The Commission sees value in the 'public good' aspect of its research and promotes dissemination of its work through publications, internet access and presentations. Summary findings from supporting research publications and details of the 75 presentations given by the Chairman, Commissioners and staff in 2011-12 are provided in appendix E.

## Quality indicators

The quality of the Commission's supporting research projects is monitored through a series of internal and external checks.

The staff working paper on productivity in electricity, gas and water, for example, used a number of internal and external quality checks including:

- consultations with a wide range of external parties and sectoral experts, including the Australian Energy Market Operator, Australian Energy Regulator, Energy Networks Association, Energy Supply Association of Australia, Melbourne Water, Sydney Water, and Water Supply Association of Australia
- assistance from the ABS through the provision of data, and advice on data issues and productivity measurement
- the use of internal and external referees, including a referee from the University of New South Wales and several other referees with expertise in productivity analysis.

Research projects can involve consultations with key interested parties on the issues they view as important and to obtain access to information. Research is also monitored internally as it progresses, and staff seminars expose research to peer

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review as it develops. Some research-in-progress is also tested through external checks, such as seminars and conferences.

Generally, drafts of research reports are refereed externally. Referees are chosen both for their expertise on a topic and to reflect a range of views. Referees for staff working papers in 2011-12 were drawn from: the Australian National University, the University of Canberra, the University of New South Wales, Statistics Netherlands and the Australian Bureau of Statistics.

Further evidence of the quality and standing of the Commission's supporting research program is found in the following:

- an invitation by the Australian Minister of Trade for the Chairman to attend the APEC Workshop on Structural Reform in August 2011
- invitations from the OECD and the WTO during the year to discuss regulatory reform, trade reform and the results of recent productivity research
- invitations during the year for the Commission to be a research partner in ARC linkage projects
- the large number of international delegations and visitors in 2011-12 that visited the Commission to discuss aspects of its research program and findings (table E. 2).

## **Timeliness**

The Commission's annual report for 2010-11, which included a theme chapter on demographic change, was completed on schedule on 20 October 2011 and tabled in Parliament on 28 October 2011. The annual report companion volume (*Trade & Assistance Review 2010-11*), and most other supporting research publications listed in box B.3, met completion schedules set by the Commission.

## **Indicators of usefulness**

Evidence of the usefulness of the Commission's supporting research and annual reporting activities in contributing to policy making and to public awareness of microeconomic reform and regulatory policy issues is available from a range of indicators. These cover the use of this research by government, community and business groups and international agencies, and invitations to discuss and disseminate its research findings in community and business forums. Examples from 2011-12 include the following:

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- Commission research on labour markets continued to be used throughout the year. For example, research on the labour force participation of women over 45 (Gilfillan and Andrews 2010) was used in discussing the economic potential of senior Australians (Advisory Panel on the Economic Potential of Senior Australians 2011); research on structural change (PC 1998b) was used by the Reserve Bank of Australia when discussing the mining industry (Connolly and Orsmond 2011); and research on resource movements and labour productivity (Bland and Will 2001) was used by the Commonwealth Treasury in a speech on productivity and structural change (Dolman and Gruen 2012).
  - Past research in a diverse range of areas continued to be used in 2011-12, demonstrating the ‘shelf life’ of Commission research outputs. For example, Commission research on trends in agriculture (PC 2005e) was used in discussing drought policy (Ludwig 2011) and by the National Farmers’ Federation when discussing affordable fuel and energy (NFF 2012); a report by the Grattan Institute on carbon assistance (Wood and Edis 2011) drew on past Commission research on aspects of structural adjustment (PC 1998b); research on population ageing (PC and Melbourne Institute of Applied Economic and Social Research 1999) was drawn upon in a report on barriers to employment for older workers (National Seniors Productive Ageing Centre 2011); and past research on Government Trading Enterprises from various years was used by the Australian Competition and Consumer Commission in discussing infrastructure reforms in Australia (ACCC 2011).
  - Research on environmental topics also continued to be widely used throughout the year. This included use of research on irrigation water demand (Appels, Douglas and Dwyer 2004) by the Australian Bureau of Statistics in a paper on environmental accounting (ABS 2012h); use by the National Water Commission (2012) of past Commission research on rural water use and the environment (PC 2006c); and use of the Commission’s 2008 submission to the Garnaut Review (PC 2008d) by an independent review of Victoria’s Climate Change Act 2010 (Department of Premier and Cabinet (Victoria) 2011).
  - The Commission’s *Trade and Assistance Review* from various years also continued to be used. For example, the Minerals Council of Australia (Davidson 2012) drew on estimates of net government assistance when discussing the taxation of mining industries; the Australia Institute (Richardson and Denniss 2011) used the *2010-11 Trade and Assistance Review* when discussing state assistance to the mining sector; and the Reserve Bank of Australia drew on the 2009-10 Review when discussing the mining industry (Connolly and Orsmond 2011).
  - The OECD also continued to make widespread use of Commission research within its own published research in 2011-12. This included research on

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productivity performance (Dolman, Parham and Zheng 2007) in a paper on product market regulation (Conway 2011); research on restrictions on trade in distribution services (Kalirajan 2000) in a report on distribution services (OECD 2012a); analysis of regulation impact assessment processes (PC 2011g) in a review of impact assessment systems in selected OECD countries (OECD 2011c); research on intangible assets and productivity growth (Barnes and McClure 2009) in a report on intangible assets at the sectoral level (OECD 2011d); and research on firm size and export performance (Gabbitas and Gretton 2003) in a report on small and medium sized enterprises in global markets (OECD 2012b).

- Examples of the use of supporting research outputs in the work of federal parliamentary committees and the Parliamentary Library are provided in tables B.1 and B.2, respectively.

More generally, important means by which supporting research activities contribute to public debate are through media coverage, the dissemination of reports to key interest groups and ready access to reports on the Commission's website. Outputs from the Commission's supporting research program attracted four editorials in major newspapers in 2011-12. To 30 June 2012, for the reports listed in box B.3, there were more than 32 000 external requests for the index pages on the Commission's website. There was a total of more than 136 000 external requests for the 50 supporting research reports for which website usage was tracked, and more than 55 000 requests for speeches by the Commission's Chairman.