

Appendix

This appendix contains supporting evidence for the March Bulletin 2026.

A primer on productivity

What is productivity?

Productivity measures the rate at which outputs of goods and services are produced per unit of input. It is calculated as the ratio of the quantity of output produced to some measure of the quantity of inputs used. Many factors can affect productivity growth such as technological improvements, workforce skills, competitive pressures and the business cycle.

What are the main measures?

Two metrics are commonly used to measure aggregate productivity.

Labour productivity is the ratio of output to hours worked. At the industry level, output is measured using gross value added – the total value of a firm's production minus the value of intermediate inputs. (Intermediate inputs captures the goods and services that a firm uses to produce output, such as raw materials, electricity or professional services.) Both the value of a firms' production and the value of their intermediate inputs are adjusted for inflation, to remove the effect of price changes – creating a measure of the volume of output.

At the economy level, the ABS uses GDP as the measure of output. GDP is the sum of gross value added in every industry, less economy-wide subsidies plus taxes. GDP is not measured at the industry level because data on taxes and subsidies is not collected for each industry.

Multifactor productivity (MFP) is the ratio of output to an input measure combining labour and capital. It is generally considered to be a better measure of technological change and efficiency improvements than labour productivity.¹ This bulletin does not include multifactor productivity because it is not included in the quarterly national accounts.

What parts of the economy are we measuring?

ABS data covers labour productivity for the whole economy, the market sector and the non-market sector. The market sector is defined as those industries where prices are set in markets. The non-market sector is defined as industries that are dominated by government involvement (public administration and safety, education and training, and health care and social assistance).

¹ Usually, growth in labour productivity exceeds growth in multifactor productivity. The difference between the two is the contribution from 'capital deepening'. Capital deepening refers to an increase in the amount of capital (for example, an increase in the machinery or tools) available for every worker, which increases productivity.

Detailed productivity statistics

Table 1 – Labour productivity growth rates

	Latest quarters		Quarterly average		Through the year
	Sep 25 to Dec 25	Jun 25 to Sep 25	Q1 2025 to Q4 2025	Q1 2021 to Q4 2025	Dec 24 to Dec 25
Whole economy					
Output (real GDP)	0.8%	0.5%	0.6%	0.7%	2.6%
Hours worked	0.7%	0.3%	0.4%	0.7%	1.5%
Labour productivity	0.0%	0.2%	0.3%	-0.1%	1.0%
Market sector					
Output (gross value added)	1.0%	0.4%	0.7%	0.7%	2.7%
Hours worked	0.7%	0.2%	0.3%	0.6%	1.1%
Labour productivity	0.3%	0.1%	0.4%	0.0%	1.5%
Non-market sector					
Output (gross value added)	0.2%	0.6%	0.5%	0.8%	1.9%
Hours worked	0.9%	0.5%	0.7%	1.1%	2.6%
Labour productivity	-0.7%	0.1%	-0.2%	-0.3%	-0.7%

Some figures will not appear to add correctly due to rounding to one decimal place. Labour productivity is the growth in output per unit of labour input. All values are in real, chain weighted, terms. Through the year estimates show the change between the current quarter and the corresponding quarter of the previous year.

Source: PC estimates based on ABS (December 2025) Australian National Accounts: National Income, Expenditure and Product, table 1.

Table 2 – Industry-level growth rates

	Labour productivity			GVA			Hours worked		
	Q4	Q3	Average quarterly change	Q4	Q3	Average quarterly change	Q4	Q3	Average quarterly change
All 19 industries									
Agriculture, forestry and fishing	-2.8%	3.7%	1.5%	2.5%	-2.9%	0.6%	5.4%	-6.3%	-0.9%
Mining	2.4%	-2.4%	0.5%	2.6%	-1.4%	0.9%	0.1%	1.0%	0.4%
Manufacturing	0.7%	2.9%	1.7%	0.3%	1.5%	0.3%	-0.4%	-1.3%	-1.4%
Electricity, gas, water and waste services	0.3%	-1.1%	-2.1%	0.4%	1.6%	0.2%	0.1%	2.8%	2.3%
Construction	-1.0%	-0.6%	-0.7%	-0.5%	2.0%	0.4%	0.5%	2.7%	1.1%
Wholesale trade	0.8%	-0.1%	0.9%	0.4%	-0.1%	0.6%	-0.4%	0.0%	-0.3%
Retail trade	-0.2%	-1.3%	0.1%	0.3%	0.1%	0.4%	0.5%	1.4%	0.2%
Accommodation and food services	0.2%	-1.3%	-0.4%	0.8%	0.6%	1.0%	0.6%	2.0%	1.4%
Transport, postal and warehousing	0.2%	3.0%	1.2%	1.0%	1.4%	1.1%	0.8%	-1.5%	-0.1%
Information media and telecommunications	0.5%	2.8%	1.5%	1.2%	1.4%	1.5%	0.8%	-1.4%	0.0%
Financial and insurance services	1.6%	0.3%	1.3%	1.3%	1.6%	1.2%	-0.3%	1.3%	-0.1%
Rental, hiring and real estate services	-0.4%	2.9%	0.5%	0.3%	1.7%	0.5%	0.8%	-1.2%	0.0%

	Labour productivity			GVA			Hours worked		
	Q4	Q3	Average quarterly change	Q4	Q3	Average quarterly change	Q4	Q3	Average quarterly change
All 19 industries									
Professional, scientific and technical services	0.6%	-1.0%	-0.7%	1.9%	-1.7%	-0.1%	1.3%	-0.7%	0.7%
Administrative and support services	0.1%	1.9%	0.7%	0.6%	0.8%	0.8%	0.5%	-1.1%	0.2%
Public administration and safety	-0.5%	0.8%	-0.4%	0.2%	0.4%	0.2%	0.7%	-0.5%	0.7%
Education and training	-1.4%	0.6%	-0.4%	0.5%	0.6%	0.5%	1.9%	0.0%	0.8%
Health care and social assistance	-0.4%	-0.4%	0.1%	0.1%	0.7%	0.6%	0.5%	1.2%	0.5%
Arts and recreation services	-1.1%	-1.8%	-0.9%	-1.0%	0.5%	0.4%	0.1%	2.4%	1.3%
Other services	-0.7%	-0.7%	0.9%	0.3%	0.9%	1.5%	1.1%	1.6%	0.6%

Average quarterly change is the growth between Q4 2025 and Q4 2024, expressed as a quarterly growth rate.

Source: PC estimates based on ABS (December 2025) Australian National Accounts: National Income, Expenditure and Product, table 6; ABS (December 2025) Labour Account Australia, Industry summary table.

Productivity data revisions

Each release of the ABS national accounts data can be subject to revisions as source data is updated or seasonal adjustments recalculated with the addition of new data. It is important to examine these revisions in case they change Australia's productivity story. The tables below show revisions from the September 2025 quarterly release for aggregate and industry statistics.

Table 3 – Revisions to whole economy and market sector growth rates

	Revisions to Q3 2025		Difference (percentage point)
	Before	Now	
Whole economy			
Output (real GDP)	0.4%	0.5%	0.1
Hours worked	0.2%	0.3%	0.1
Labour productivity	0.2%	0.2%	0.0
Market sector			
Output (gross value added)	0.2%	0.4%	0.2
Hours worked	0.2%	0.2%	0.0
Labour productivity	0.0%	0.1%	0.1
Non-market sector			
Output (gross value added)	0.6%	0.6%	0.0
Hours worked	0.3%	0.5%	0.2
Labour productivity	0.3%	0.1%	-0.2

Source: PC estimates based on ABS (December 2025) Australian National Accounts: National Income, Expenditure and Product, table 1; ABS (September 2025) Australian National Accounts: National Income, Expenditure and Product, table 1.

Table 4 – Revisions to industry gross value added (GVA)

Market sector	Revisions to Q3 2025		Difference (percentage point)
	Before	After	
Agriculture, forestry and fishing	-2.6%	-2.9%	-0.3
Mining	-1.8%	-1.4%	0.4
Manufacturing	1.4%	1.5%	0.1
Electricity, gas, water and waste services	1.6%	1.6%	0.0
Construction	1.8%	2.0%	0.2
Wholesale trade	-0.2%	-0.1%	0.1
Retail trade	0.4%	0.1%	-0.3
Accommodation and food services	0.2%	0.6%	0.4
Transport, postal and warehousing	1.6%	1.4%	-0.2
Information, media and telecommunications	1.1%	1.4%	0.3
Financial and insurance services	1.6%	1.6%	0.0
Rental, hiring and real estate services	1.6%	1.7%	0.1
Professional, scientific and technical services	-1.9%	-1.7%	0.2
Administrative and support services	0.6%	0.8%	0.2
Public administration and safety	0.4%	0.4%	0.0
Education and training	0.6%	0.6%	0.0
Health care and social assistance	0.7%	0.7%	0.0
Arts and recreation services	0.7%	0.5%	-0.2
Other services	0.7%	0.9%	0.2

Source: PC estimates based on ABS (December 2025) *Australian National Accounts: National Income, Expenditure and Product*, table 6; ABS (September 2025) *Australian National Accounts: National Income, Expenditure and Product*, table 6.

Table 5 – Revisions to industry hours worked

Market sector	Revisions to Q3 2025		Difference (percentage point)
	Before	After	
Agriculture, forestry and fishing	-5.1%	-6.3%	-1.2
Mining	1.3%	1.0%	-0.3
Manufacturing	-1.3%	-1.3%	0.0
Electricity, gas, water and waste services	0.5%	2.8%	2.3
Construction	1.7%	2.7%	1.0
Wholesale trade	-0.1%	0.0%	0.1
Retail trade	1.1%	1.4%	0.3
Accommodation and food services	1.4%	2.0%	0.6
Transport, postal and warehousing	-1.0%	-1.5%	-0.5
Information, media and telecommunications	-0.4%	-1.4%	-1.0
Financial and insurance services	1.7%	1.3%	-0.4
Rental, hiring and real estate services	1.3%	-1.2%	-2.5
Professional, scientific and technical services	-0.4%	-0.7%	-0.3
Administrative and support services	0.3%	-1.1%	-1.4
Public administration and safety	-0.8%	-0.5%	0.3
Education and training	-0.6%	0.0%	0.6
Health care and social assistance	1.1%	1.2%	0.1
Arts and recreation services	1.0%	2.4%	1.4

Market sector	Revisions to Q3 2025		Difference (percentage point)
	Before	After	
Other services	1.0%	1.6%	0.6

Source: PC estimates based on ABS (December 2025) *Labour Account Australia, Industry summary table*; ABS (September 2025) *Labour Account Australia, Industry summary table*.

Table 6 – Revisions to industry labour productivity

Market sector	Revisions to Q3 2025		Difference (percentage point)
	Before	After	
Agriculture, forestry and fishing	2.6%	3.7%	1.1
Mining	-3.1%	-2.4%	0.7
Manufacturing	2.7%	2.9%	0.2
Electricity, gas, water and waste services	1.1%	-1.1%	-2.2
Construction	0.1%	-0.6%	-0.7
Wholesale trade	-0.1%	-0.1%	0.0
Retail trade	-0.6%	-1.3%	-0.7
Accommodation and food services	-1.1%	-1.3%	-0.2
Transport, postal and warehousing	2.6%	3.0%	0.4
Information, media and telecommunications	1.5%	2.8%	1.3
Financial and insurance services	-0.1%	0.3%	0.4
Rental, hiring and real estate services	0.3%	2.9%	2.6
Professional, scientific and technical services	-1.5%	-1.0%	0.5
Administrative and support services	0.3%	1.9%	1.6
Public administration and safety	1.2%	0.8%	-0.4
Education and training	1.1%	0.6%	-0.5
Health care and social assistance	-0.4%	-0.4%	0.0
Arts and recreation services	-0.3%	-1.8%	-1.5
Other services	-0.3%	-0.7%	-0.4

Source: PC estimates based on ABS (December 2025) *Australian National Accounts: National Income, Expenditure and Product*, table 6; ABS (December 2025) *Labour Account Australia, Industry summary table*; ABS (September 2025) *Australian National Accounts: National Income, Expenditure and Product*, table 6; ABS (September 2025) *Labour Account Australia, Industry summary table*.