

Future directions in measurement and analysis

Productivity Perspectives 2006

23 March 2006

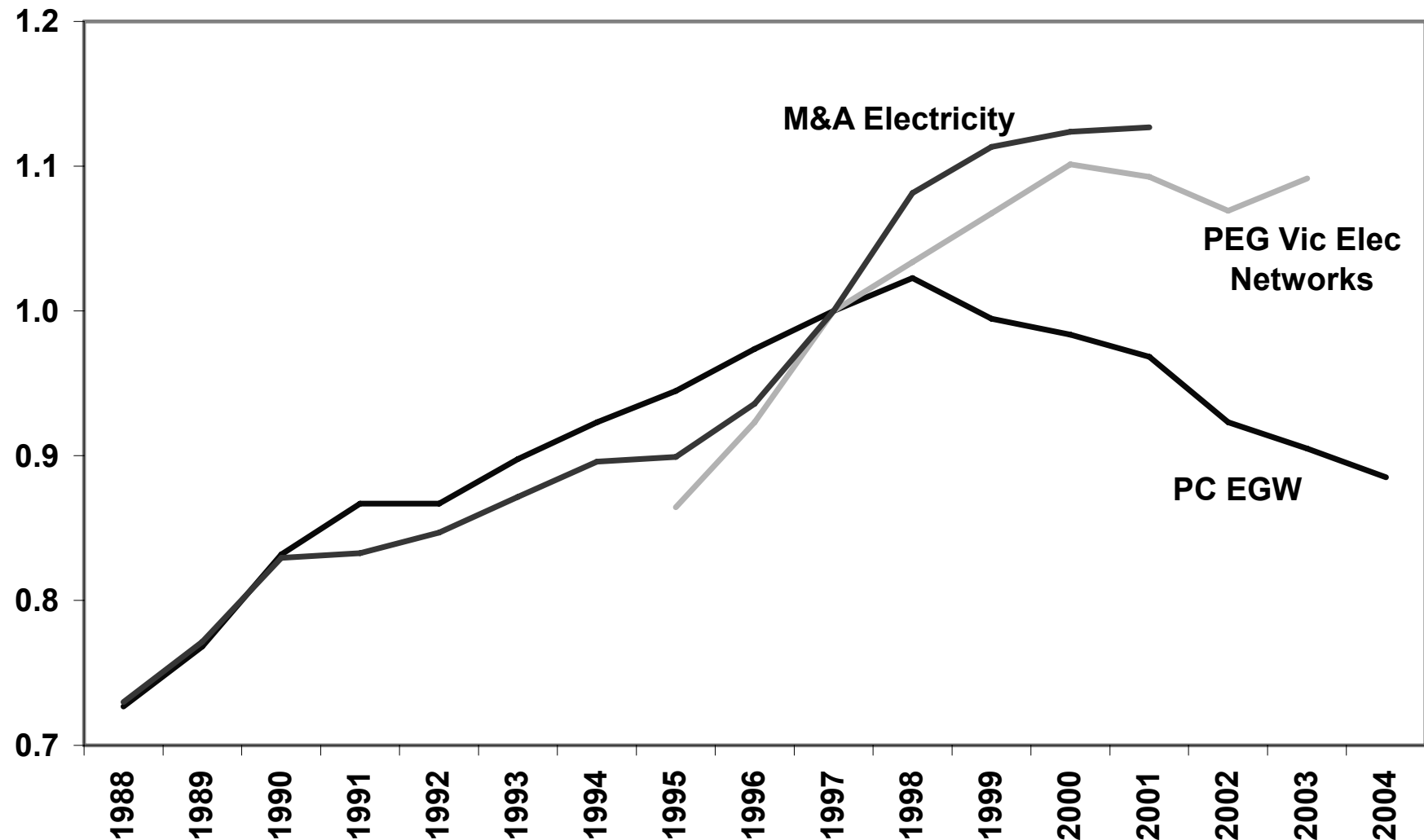
Denis Lawrence



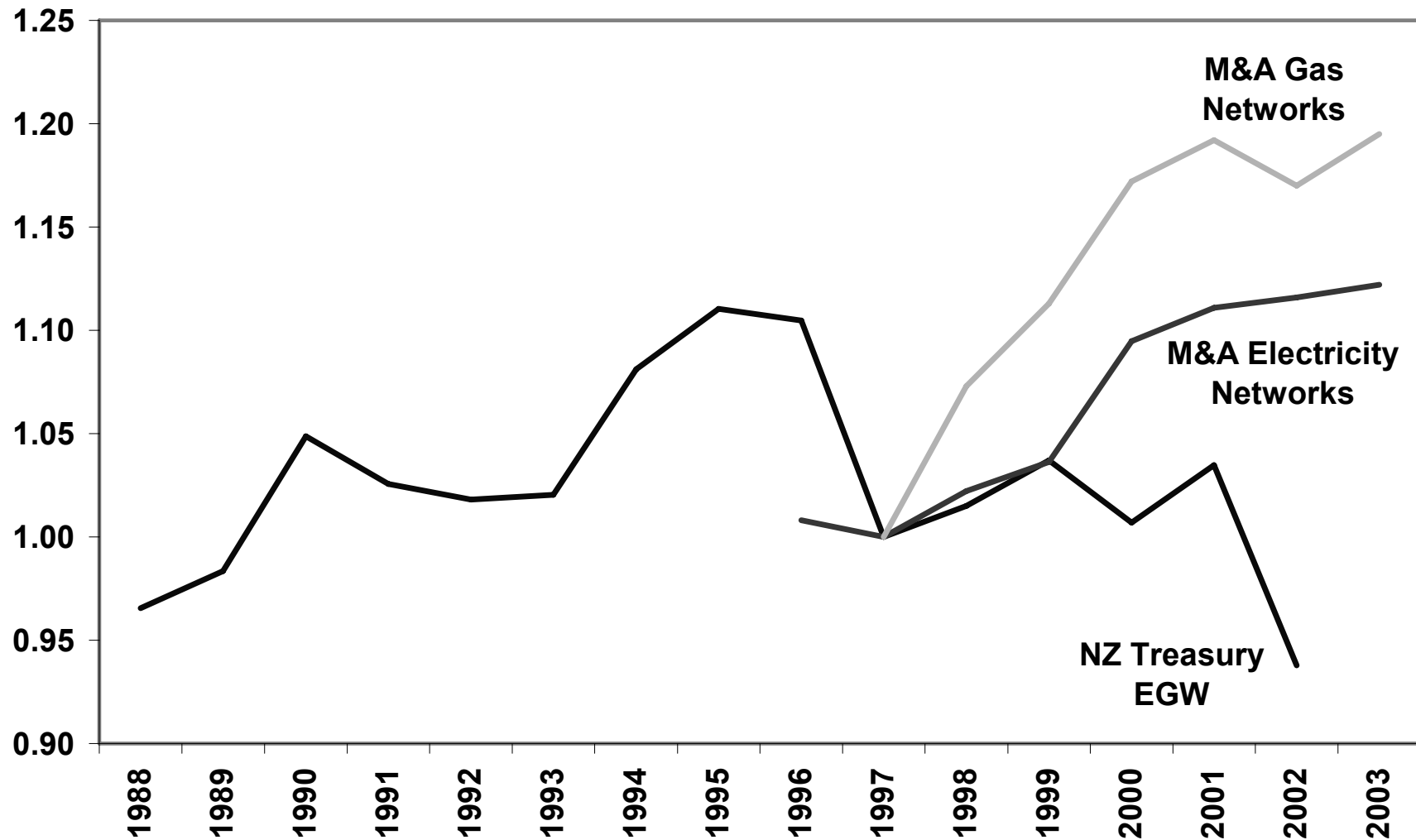
Priorities

- **Increase market sector coverage**
 - **ABS MFP's 12 market sectors cover only 2/3 of economy**
 - **DL cover 16 sectors and 95% of economy but with some output measurement problems in the additional sectors**
 - **Need to ensure increased diversity and quality is captured**
- **Improve quality of industry level National Accounts estimates**
 - **Implausible results for many sectors**
 - **Need to reconcile firm-based and NA sectoral TFP results**
 - **Increasing policy importance, eg recent MCE recommendation**

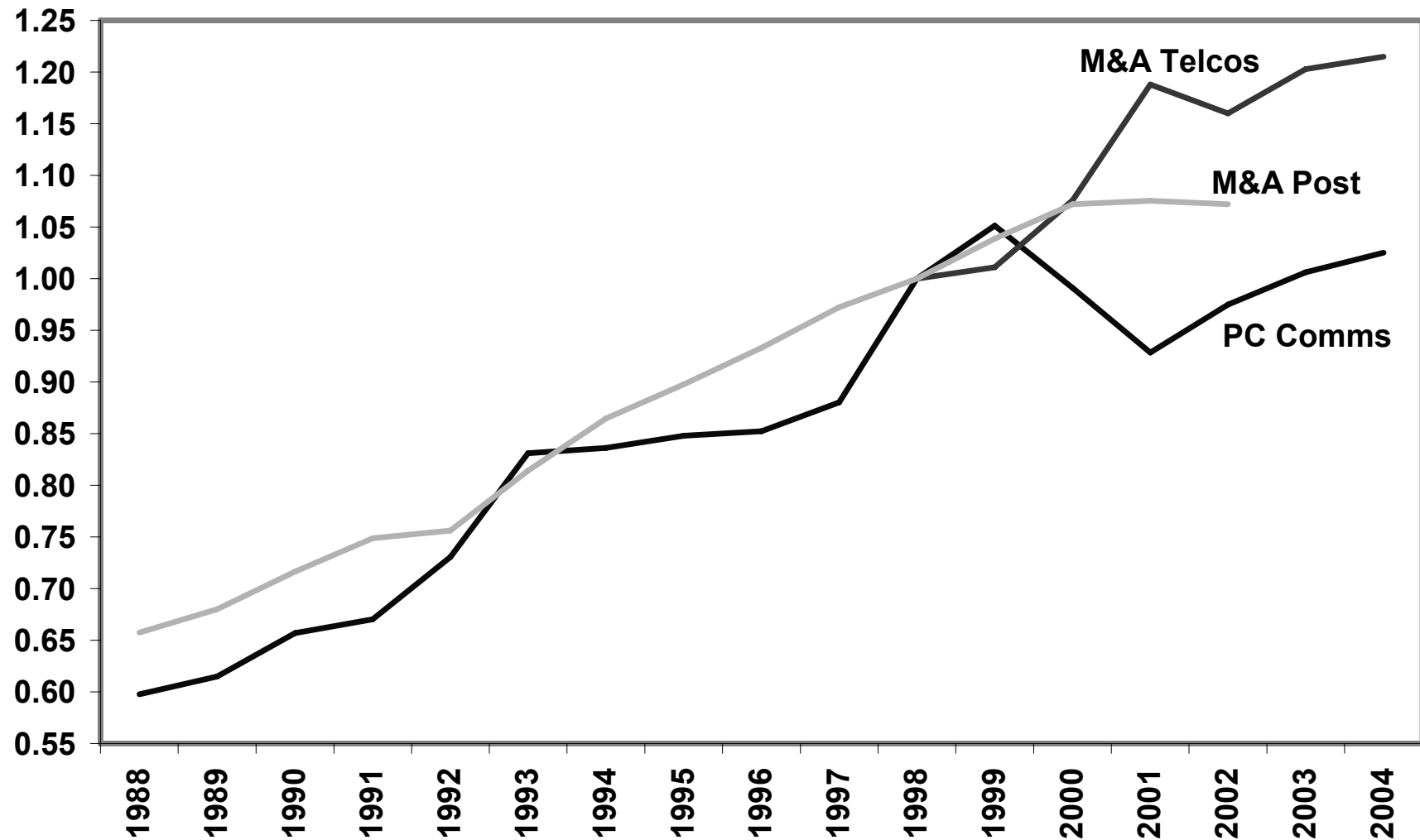
Australia EGW Sector Total Factor Productivity



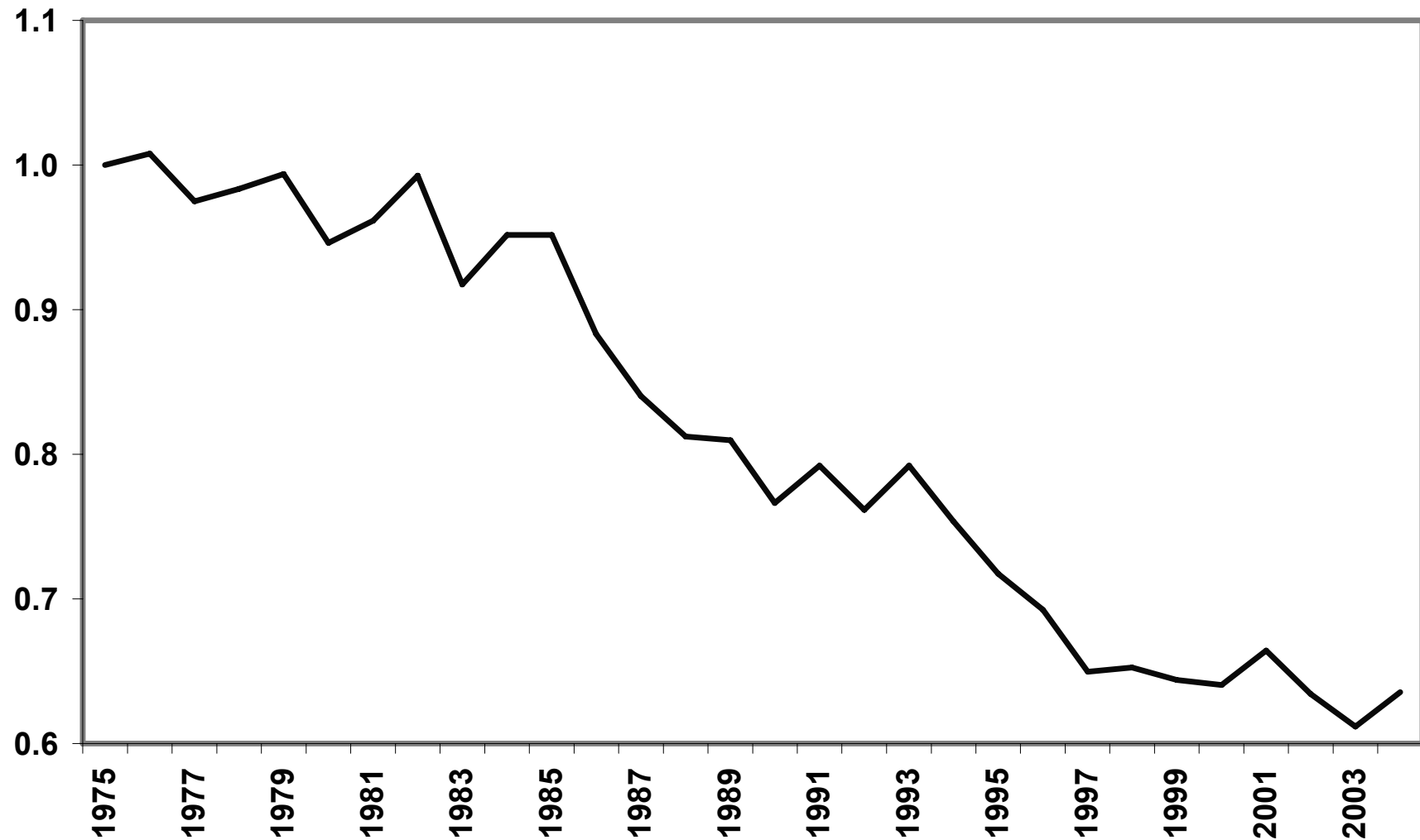
New Zealand EGW Sector Total Factor Productivity



Australia Communications Sector TFP



Australia CRS Sector MFP



Priorities (cont'd)



- **Capital and inventories**
 - **Need to ensure consistency, including in aggregation**
 - **Depreciation – DCITA project**
 - **Measuring capital input quantities – a greater role for ‘one-hoss-shay’?**
- **What is the appropriate approach?**
 - **Net vs gross approach**
 - **Producer vs consumer prices**