



Was the 1990s productivity ‘miracle’ a mirage?

The House Economics Committee will discuss Australia’s productivity growth challenge with two academic economists at a public hearing in Canberra on Thursday 19 November 2009 as part of an inquiry into raising the productivity growth rate in the Australian economy.

Productivity growth rates have been declining since 2003-04, less than a decade after Australia experienced unprecedented productivity growth in the 1990s. The committee is investigating why this has happened and ways of boosting and sustaining future productivity growth.

Professor John Quiggin has been prominent in the debate over how much of an influence Australia’s micro-economic reforms of the 1980s and 1990s had on its productivity growth surge of the 1990s. In 2001 he questioned the extent of the measured productivity growth rate, citing measurement errors and unmeasured labour hours and intensity as inflating performance.

In contrast, Dr Lee’s submission to the inquiry highlights studies which note the prevailing view—the effectiveness of past micro-economic reforms in the Australian labour and product markets (the input and output sides of the productivity equation), as realising robust productivity growth.

Committee Chair, **Craig Thomson, MP** said: “The committee is keen to explore the extent of the impacts of micro-economic reforms on the productivity growth surge of the 1990s; as opposed to other influences at that time, for example, productivity gains gleaned from the rapid uptake of information technology, most notably the internet. In order to formulate the best mechanisms or reforms to adopt for future productivity growth it is important to consider all the factors which may have contributed to the last cycle of increasing productivity growth.”

The hearing will be held via teleconference in **Committee Room 2R2, Parliament House, Canberra on Thursday 19 October**. The teleconference hearing will be webcast live (audio only): <http://webcast.aph.gov.au/livebroadcasting/>.

The program is outlined below:

9.35 am	Dr Boon Lee (private capacity)
10.15 am	Professor John Quiggin (private capacity)
11.00 am	Adjournment

For media comment: please contact the Committee Chair, Mr Craig Thomson MP, on (02) 4351 1223 (Electorate Office) or (02) 6277 4460 Parliament House. **Further information:** contact the Inquiry Secretary (02) 6277 4209, email economics.reps@aph.gov.au or visit the Committee’s webpage at <http://www.aph.gov.au/economics>