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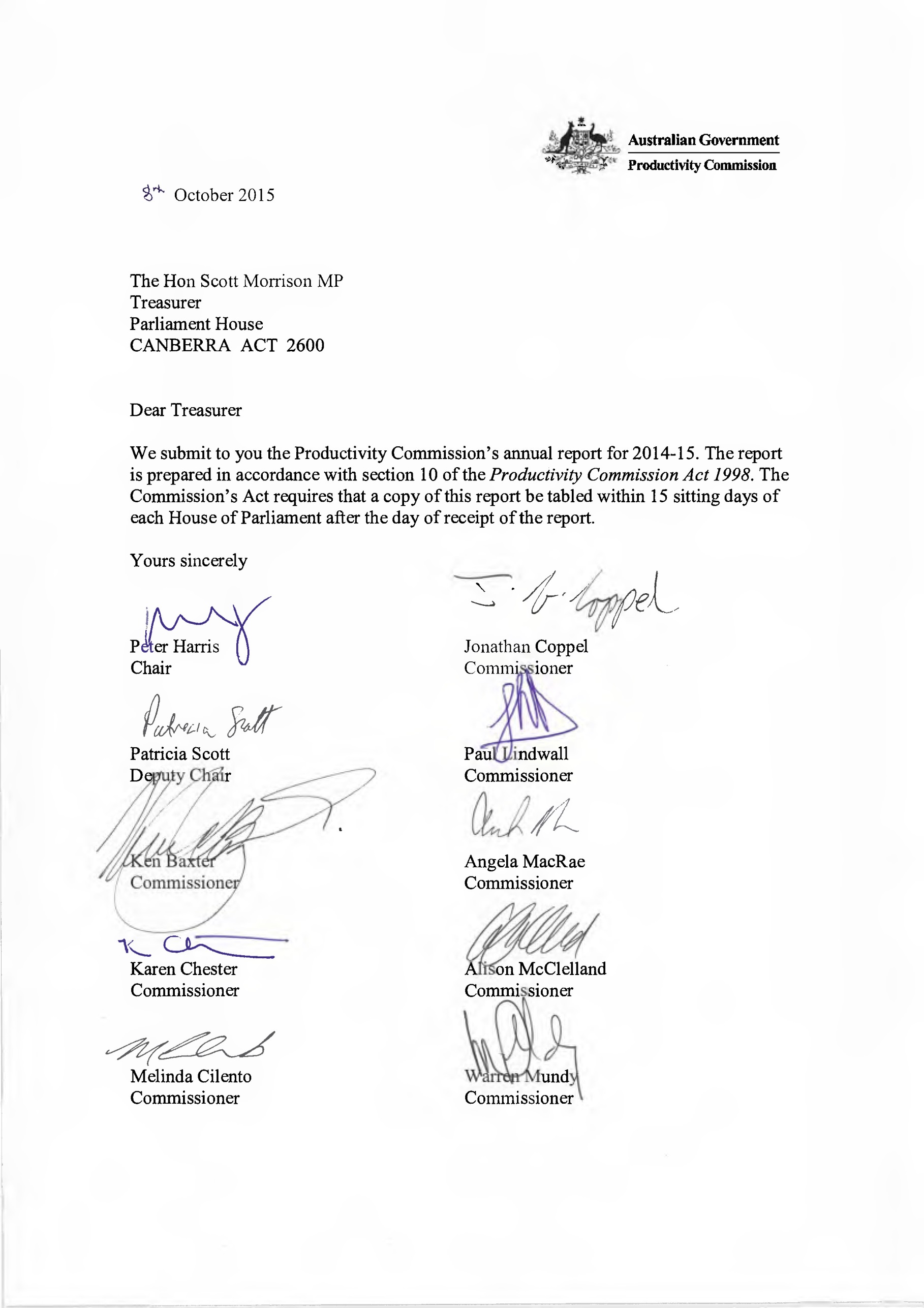
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| The Productivity Commission |
| The Productivity Commission is the Australian Government’s independent research and advisory body on a range of economic, social and environmental issues affecting the welfare of Australians. Its role, expressed most simply, is to help governments make better policies, in the long term interest of the Australian community.  The Commission’s independence is underpinned by an Act of Parliament. Its processes and outputs are open to public scrutiny and are driven by concern for the wellbeing of the community as a whole.  Further information on the Productivity Commission can be obtained from the Commission’s website ([www.pc.gov.au](http://www.pc.gov.au/)). |
|  |

Signing letter

# **­Group image of the Chair, Deputy Chair and Commissioners followed by individual portrait photos of each.Chairman and Commissioners**

Acknowledgments

In memory of former Commissioner Helen Owens (1948 – 2014) and former long-term Commission official Steven Argy (1962 – 2015).

The Commission wishes to thank its staff for their continued efforts, commitment and support during the past year.

# Foreword

2014-15 saw the Commission commence six new inquiries or studies and complete five commissioned in 2013-14. Government has responded to two of the completed inquiries.

We also completed our second Flagship research project on Public Housing Assistance and Employment. It provided a surprising conclusion, somewhat against prevailing thinking, demonstrating the better understanding that can be had if governments and Departments would invest more in making major holdings of administrative data accessible.

The Commission also initiated and completed policy-relevant research on superannuation policy post-retirement - asking and answering when and how people access their super and the policy implications. The report concluded that there remains a need, not immediate but near term, for a holistic review of retirement incomes policies.

We held a health roundtable involving 25 practitioners and experts and providing 22 proposals for immediate efficiency gains in this crucial area. One proposal has been clearly taken up. More may be under consideration.

The *Trade and Assistance Review*, a long-established statutory publication on the use of trade policy and industry assistance, received slightly more than usual attention in an environment of promotion of the benefits of bilateral preferential trade agreements and the mooted Trans-Pacific Partnership (TPP). The debate was also characterised by a lack of transparent and robust analysis, a vacuum consequently filled at times by misleading claims.

The lack of awareness in the community of the nature of bilateral agreements remains at this time a matter of some contention, as it has been from time to time throughout the history of the Productivity Commission and its forebears.

It would be consistent with the Australian economic record of success via relatively open multilateral processes and Economic Statements explaining (occasional) unilateral reduction in trade and other barriers to improve public awareness through development and release of relevant analysis in advance of policy outcomes.

History, however, also indicates that change in this area is often not immediate.

Peter Harris  
Chair

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# Abbreviations

ABS Australian Bureau of Statistics

ACCC Australian Competition and Consumer Commission

ACCI Australian Chamber of Commerce and Industry

AGCNCO Australian Government Competitive Neutrality Complaints Office

AIHW Australian Institute of Health and Welfare

ALGA Australian Local Government Association

ANAO Australian National Audit Office

ANU Australian National University

ANZSIC Australian and New Zealand Standard Industrial Classification

ANZSOG Australia and New Zealand School of Government

APEC Asia-Pacific Economic Cooperation

APRA Australian Prudential Regulation Authority

APS Australian Public Service

BRCWG Business Regulation and Competition Working Group (COAG)

CEDA Committee for Economic Development of Australia

COAG Council of Australian Governments

CRC COAG Reform Council

EFIC Export Finance and Investment Corporation

GDP Gross Domestic Product

GTAP Global Trade Analysis Project

GTEs Government trading enterprises

HILDA Household, Income and Labour Dynamics

IAC Industries Assistance Commission

IC Industry Commission

ICTs Information and communication technologies

IMF International Monetary Fund

LP labour productivity

MFP multifactor productivity

NATSEM National Centre for Social and Economic Modelling

NBN National Broadband Network

NCP National Competition Policy

NRA National Reform Agenda

OECD Organisation for Economic Cooperation and Development

OHS Occupation health and safety

OID Overcoming Indigenous Disadvantage report

PBS Pharmaceutical Benefits scheme

PC Productivity Commission

RBA Reserve Bank of Australia

R&D Research and development

ROGS Report on Government Services

SES Senior Executive Service

TCF Textiles, clothing and footwear