Distributional Effects of Changes in Australian Infrastructure Industries during the 1990s

Staff Working Paper

G. Verikios
X.G. Zhang

The views expressed in this paper are those of the staff involved and do not necessarily reflect those of the Productivity Commission.
Contents

Preface IX
Acknowledgments XI
Abbreviations XII
Key points XVI
Overview XVII

1 Introduction 1
1.1 Infrastructure industries, microeconomic reform and other influences 1
1.2 Purpose 3
1.3 Previous studies 3
1.4 Approach 4
1.5 Outline 6

2 Models and data 7
2.1 Analytical framework 7
2.2 The MMRF model and database 9
2.3 The ID model and database 15
2.4 Interpreting the results 22

3 Electricity 27
3.1 Changes in the electricity industry during the 1990s 27
3.2 Modelling the changes in the electricity industry 28
3.3 Economywide effects 29
3.4 Household effects 34
4  Gas
  4.1 Changes in the gas industry during the 1990s  41
  4.2 Modelling changes in the gas industry  42
  4.3 Economywide effects  43
  4.4 Household effects  46

5  Ports and rail freight
  5.1 Changes in the ports and rail freight industries during the 1990s  53
  5.2 Modelling changes in the port and rail freight industries  54
  5.3 Economywide effects  56
  5.4 Household effects  59

6  Telecommunications
  6.1 Changes in the telecommunications industry during the 1990s  67
  6.2 Modelling the changes in the telecommunications industry  68
  6.3 Economywide effects  69
  6.4 Household effects  72

7  Urban transport
  7.1 Changes in urban transport during the 1990s  79
  7.2 Modelling changes in the urban transport industry  80
  7.3 Economywide effects  82
  7.4 Household effects  86

8  Water and sewerage
  8.1 Changes in the water and sewerage industry during the 1990s  93
  8.2 Modelling the changes in the water and sewerage industry  94
  8.3 Economywide effects  96
  8.4 Household effects  99

9  Summary and conclusions
  9.1 Real income effects  108
  9.2 Gini coefficients  110
  9.3 Further research  112

A  MMRF industries/commodities  115
B  An index of purchasing power  117