

# AUSTRALIA

## OVERALL PERFORMANCE



## CHALLENGES IN 2016

- The persistence of the Federal Budget deficit and difficulty of returning to balance.
- Continued reform inertia and policy short-termism due to political uncertainty.
- Better support for innovation, R&D and productivity enhancement in non-mining sectors.
- Introducing flexibility in the labour market to improve adaptability to structural changes.
- Unfinished microeconomic reforms such as introducing competition in services sectors.

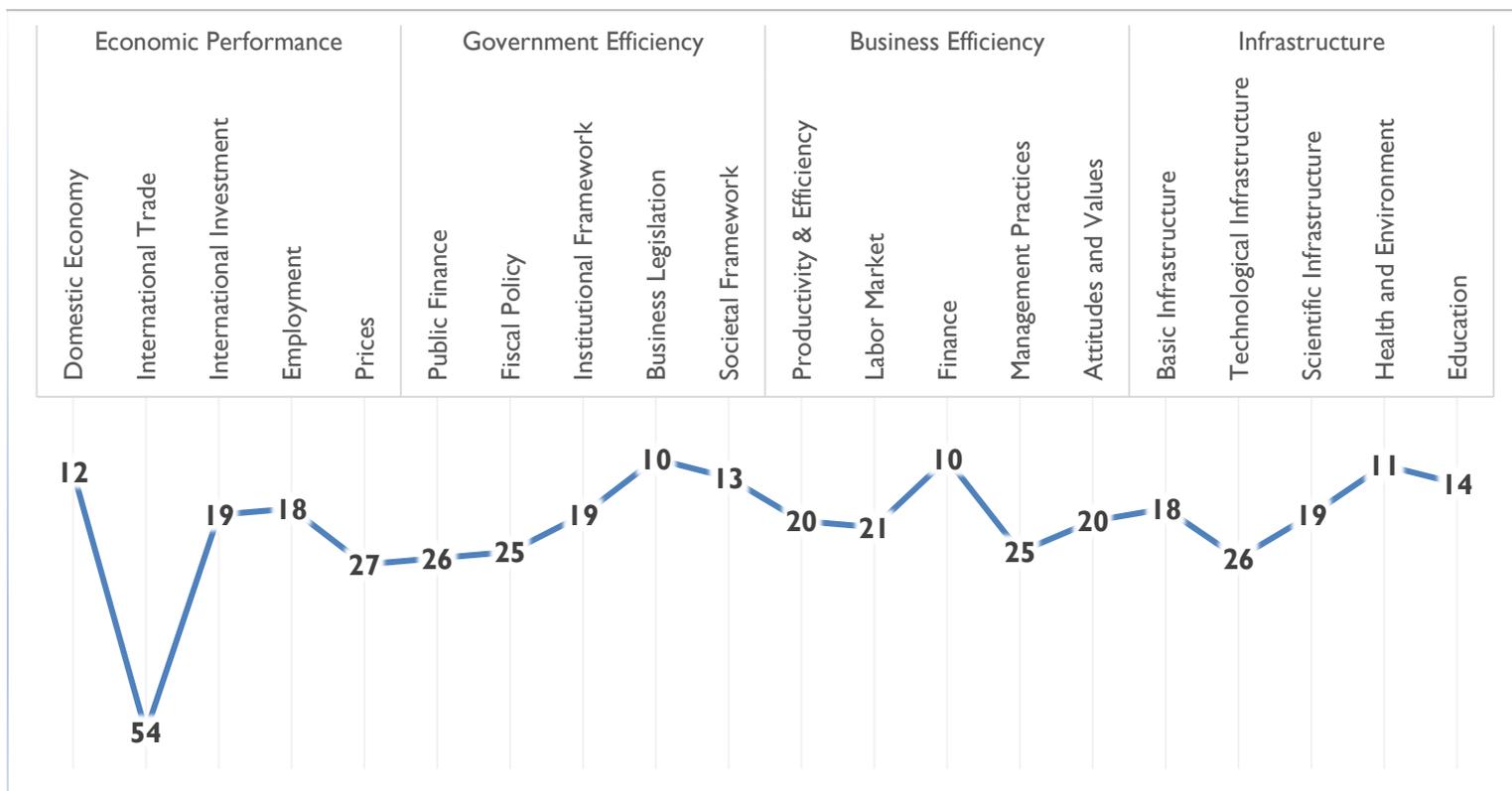
### Provided by:

Committee for Economic Development of Australia (CEDA), Melbourne Victoria

## BASIC FACTS

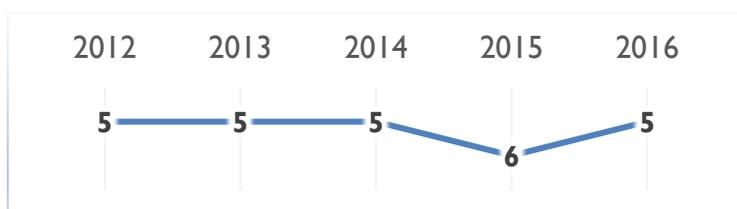
		Rank
Capital	Canberra	
Land area (square km '000)	7,741 <sup>2015</sup>	
Exchange Rate (per \$)	1.331 <sup>2015</sup>	
Population - market size (millions)	23.90 <sup>2015</sup>	27
Gross Domestic Product (GDP) (US\$ billions)	1,223.9 <sup>2015</sup>	13
GDP (PPP) per capita (US\$)	47,619 <sup>2015</sup>	12
Real GDP growth (%)	2.5 <sup>2015</sup>	29
Consumer price inflation (%)	1.53 <sup>2015</sup>	40
Unemployment rate (%)	6.06 <sup>2015</sup>	28
Labor force (millions)	12.50 <sup>2015</sup>	27
Current account balance percentage (%)	-4.58 <sup>2015</sup>	58
Direct investment stocks inward (\$bn)	564.6 <sup>2014</sup>	13
Direct investment flows inward (%)	3.08 <sup>2015</sup>	21

## COMPETITIVENESS LANDSCAPE

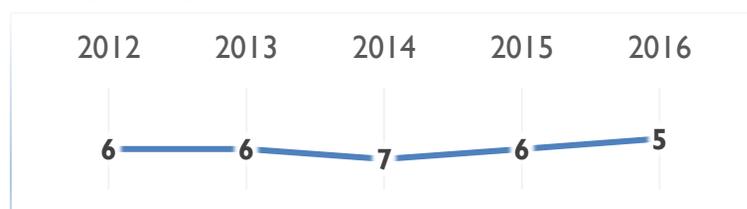


## PEER GROUPS RANKINGS

### ASIA - PACIFIC



### POPULATIONS > 20 MILLION



## COMPETITIVENESS EVOLUTION

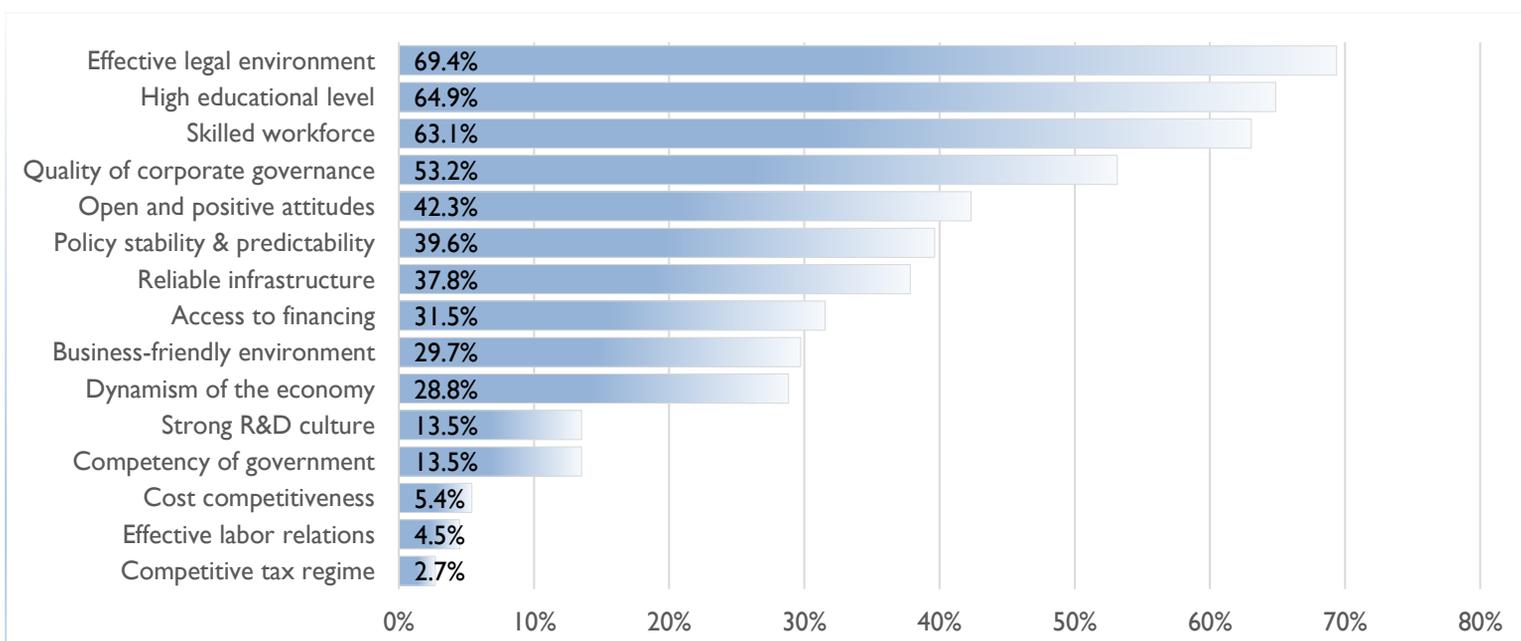
The criteria below highlight the 15 biggest Improvements and the 15 biggest Declines in the overall performance of the economy. They are determined by the largest percentage changes in the value of each criterion from one yearbook to the next.

IMPROVEMENTS	WCY 2015	WCY 2016
3.2.04 Remuneration of management		
2.4.17 Labor regulations	3.58	4.73
2.3.11 Government decisions	3.63	4.74
1.5.07 Gasoline prices	1.51	1.05
3.1.08 Workforce productivity	4.72	5.73
2.4.18 Unemployment legislation	4.45	5.26
2.4.13 Ease of doing business	5.23	6.16
2.5.03 Ageing of society	4.40	5.14
2.3.12 Transparency	5.41	6.31
1.1.19 Resilience of the economy	5.34	6.18
2.5.04 Risk of political instability	6.95	8.04
2.3.10 Adaptability of government policy	3.95	4.54
2.4.09 Subsidies	5.34	6.13
3.5.05 Need for economic and social reforms	5.38	6.11
3.1.10 Small and medium-size enterprises	6.04	6.76

DECLINES	WCY 2015	WCY 2016
1.5.02 Adjusted consumer price inflation	0.0	0.6
1.2.02 Current account balance percentage	-2.78	-4.58
2.3.08 Exchange rate stability	0.139	0.183
1.2.08 Exports of goods (\$bn)	240.23	188.45
1.1.20 GDP per capita	60,930	51,211
1.4.07 Long-term unemployment	1.23	1.43
1.1.14 Real GDP growth	2.7	2.5
4.4.11 Health problems	7.28	6.69
4.5.03 Public expenditure on education per pupil	18.0	16.5
1.2.09 Exports of goods (%)	16.66	15.40
2.1.04 Total general government debt (%)	34.27	36.83
2.3.03 Interest rate spread	3.05	3.27
4.3.16 Patent applications per capita	53.69	49.74
3.4.03 Credibility of managers	6.71	6.23
3.4.09 Health, safety & environmental concerns	8.20	7.62

## KEY ATTRACTIVENESS INDICATORS

From a list of 15 indicators, respondents of the Executive Opinion Survey were asked to select 5 that they perceived as the key attractiveness factors of their economy. The chart shows the percentage of responses per indicator from the highest number of responses to the lowest.



## AUSTRALIA

## ECONOMIC PERFORMANCE



## Sub-Factor Rankings :

	2015	2016
Domestic Economy	16	12
International Trade	54	54
International Investment	46	19
Employment	27	18
Prices	14	27

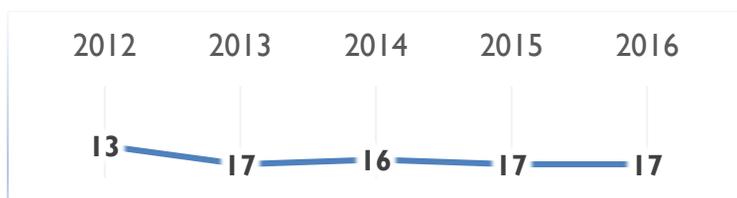
## GOVERNMENT EFFICIENCY



## Sub-Factor Rankings :

	2015	2016
Public Finance	28	26
Fiscal Policy	26	25
Institutional Framework	21	19
Business Legislation	13	10
Societal Framework	12	13

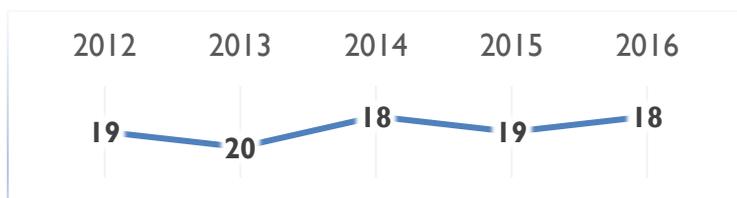
## BUSINESS EFFICIENCY



## Sub-Factor Rankings :

	2015	2016
Productivity & Efficiency	25	20
Labor Market	21	21
Finance	4	10
Management Practices	18	25
Attitudes and Values	18	20

## INFRASTRUCTURE



## Sub-Factor Rankings :

	2015	2016
Basic Infrastructure	17	18
Technological Infrastructure	33	26
Scientific Infrastructure	20	19
Health and Environment	9	11
Education	12	14

## AUSTRALIA

## STRENGTHS

Economic Performance	Rank
I.5.06 Food costs	6
I.1.20 GDP per capita	9
I.1.21 GDP (PPP) per capita	12
I.1.19 Resilience of the economy	12
I.3.07 Direct investment stocks inward (\$bn)	13
I.3.05 Direct investment flows inward (\$bn)	13
I.3.03 Direct investment stocks abroad (\$bn)	16
I.5.07 Gasoline prices	16
I.4.07 Long-term unemployment	17
I.4.02 Employment (%)	19

Government Efficiency	Rank
2.4.15 Start-up days	4
2.4.01 Tariff barriers	4
2.4.16 Start-up procedures	6
2.4.10 State ownership of enterprises	6
2.2.10 Employee's social security contribution rate	8
2.5.05 Social cohesion	8
2.5.01 Justice	8
2.4.04 Public sector contracts	9
2.4.03 Protectionism	9
2.5.02 Personal security and private property rights	9

Business Efficiency	Rank
3.3.07 Financial risk factor	7
3.3.09 Stock markets	7
3.3.20 Corporate debt	7
3.3.08 Regulatory compliance (banking laws)	9
3.3.06 Finance and banking regulation	9
3.3.15 Shareholders' rights	10
3.4.04 Corporate boards	10
3.3.04 Investment risk	11
3.2.19 Finance skills	12
3.2.22 Foreign high-skilled people	12

Infrastructure	Rank
4.5.09 Student mobility inbound	1
4.4.10 Human development index	2
4.4.26 Quality of life	7
4.2.09 Broadband subscribers	8
4.3.19 Value added of KTI industries	8
4.4.05 Life expectancy at birth	8
4.4.12 Energy intensity	8
4.2.08 Internet users	9
4.4.08 Medical assistance	9
4.5.13 Educational system	11

## WEAKNESSES

Economic Performance	Rank
I.2.02 Current account balance percentage	58
I.3.01 Direct investment flows abroad (\$bn)	58
I.2.23 Trade to GDP ratio	55
I.2.17 Export concentration by partner	55
I.3.02 Direct investment flows abroad (%)	55
I.5.05 Office rent	53
I.2.09 Exports of goods (%)	53
I.2.13 Exports of commercial services (%)	50
I.2.18 Export concentration by product	48
I.3.13 Relocation threats of production	47

Government Efficiency	Rank
2.2.08 Corporate tax rate on profit	49
2.3.08 Exchange rate stability	47
2.2.07 Effective personal income tax rate	43
2.5.13 Disposable Income	43
2.1.02 Government budget surplus/deficit (%)	43
2.3.07 Foreign currency reserves per capita	37
2.4.17 Labor regulations	37
2.2.12 Real personal taxes	35

Business Efficiency	Rank
3.2.01 Compensation levels	55
3.2.03 Remuneration in services professions	55
3.4.07 Entrepreneurship	50
3.2.07 Labor relations	40
3.3.19 M&A Activity	36
3.2.06 Working hours	34
3.1.09 Large corporations	34
3.1.08 Workforce productivity	33

Infrastructure	Rank
4.2.03 Mobile Telephone costs	51
4.2.04 Communications technology	49
4.5.06 Secondary school enrollment	48
4.5.03 Public expenditure on education per pupil	45
4.4.18 Renewable energies (%)	44
4.2.20 ICT service exports	42
4.1.04 Access to water	42
4.2.05 Connectivity	41
4.2.10 Internet bandwidth speed	39
4.2.11 Information technology skills	36