

COUNTRY PROFILE



Australia

GLOBAL RANK: 1st of 104



Consistently strong drivers of prosperity, particularly education and government effectiveness, place Australia at the top of the overall Index, ranking 10th on Comparative Liveability and 6th on Economic Competitiveness.

● BACKGROUND

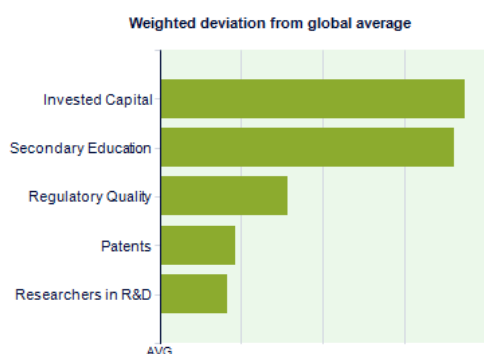
Since market deregulation in the 1980s, the 'Lucky Country' has reinvented itself as a wealthy service-oriented economy, currently benefiting from the rise of China and the global boom in commodities. Australia's expansion has created labour shortages and led to increased immigration levels, with one in four of the population born overseas. However, rising prosperity has not included much of Australia's indigenous population, and the nation faces long-term environmental challenges ahead. Natural assets such as the Great Barrier Reef are at risk of severe deterioration, and in 2008 the country faced its worst drought in recorded history.

FAST FACTS

Population:	20.6 million (2008 est.)	FDI (net inflow):	3.30% (2006 est.)
Life Today	7.3 (2007 est.)	Exports	16.32% (2006 est.)
GDP (PPP)	\$760.8 billion (2007 est.)	Imports	18.43% (2006 est.)
GDP (Growth)	3.9% (2007 est.)	Unemployment:	4.4% (2007 est.)
GDP (per Capita)	\$36,300 (2007 est.)	Life Expectancy	80.73 years (2008 est.)
Political System:	Federal Parliamentary Democracy		
Foreign Aid:	No data		

● KEY SCORE DRIVERS

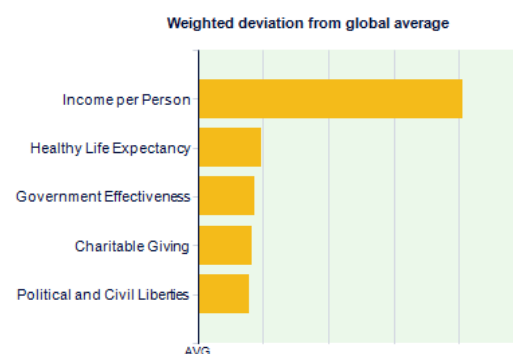
ECONOMIC COMPETITIVENESS



The high levels of capital investment achieved by Australia have contributed to its success in terms of Economic Competitiveness. This can be partially attributed to policies pursued in recent decades that deregulated labour and financial markets, controlled public spending, and privatised state industries. Australia's extremely high score on regulatory quality, a component of the World Bank Governance Indicators that measures market-oriented policymaking, reflects this history.

Resource-rich Australia has moved well beyond dependence on commodity exports, with these exports making up less than eight percent of the country's economic output. One factor making this possible is the effective mass education system. The average Australian worker has more than five years of secondary education.

COMPARATIVE LIVEABILITY



Australia scores well on the Comparative Liveability Index based on strong performances in fundamental areas. According to the IMF, the average Australian is richer than her counterparts in Britain, France or Germany. This is complemented by a strong political life -- a crucial performance driver for countries at high levels of income -- including a high level of political and civil liberties, government effectiveness and effective control of corruption.

In a similar vein, Australians enjoy the benefits of a long, healthy life, with health-adjusted life expectancy at 72.6 years. However, there is a significant 'miserable minority' in Australia that is disproportionately concentrated amongst indigenous Australians. In particular, indigenous Australians have far worse health, especially mental health, than the general population.

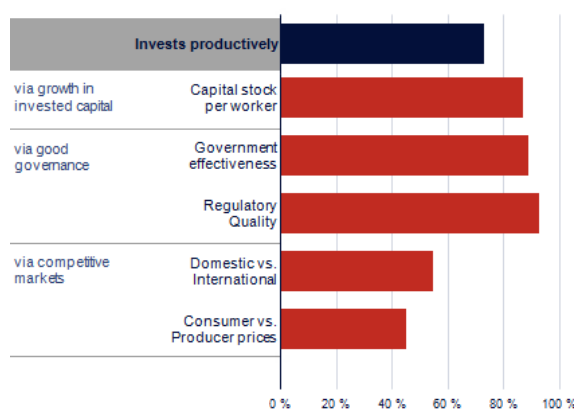
In addition, in contrast to many Northern European countries that also rank highly in the Index, Australia exhibits a strong entrepreneurial culture, and many Australians choose to take the risk of going into business for themselves.

Higher-skilled human capital is also abundant, as evidenced by the large number of researchers in research and development positions, creating an environment conducive to innovation. This in turn fosters Australia's high score for another of the prosperity drivers, the number of patents granted. The combination of these indicators results in an excellent score for commercialisation of innovation overall.

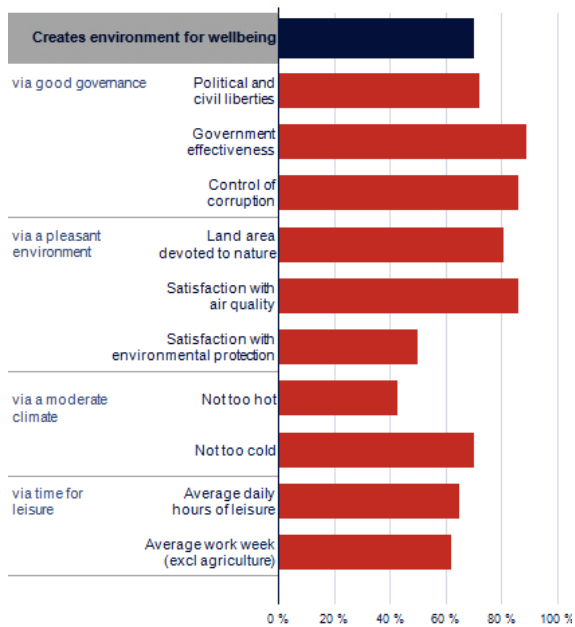
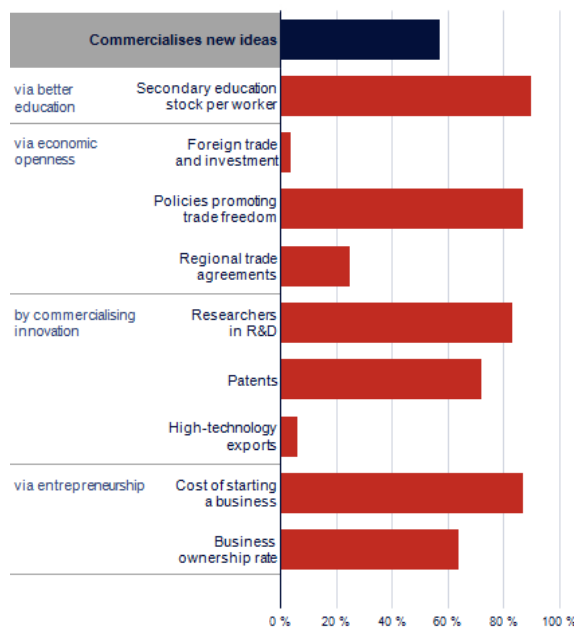
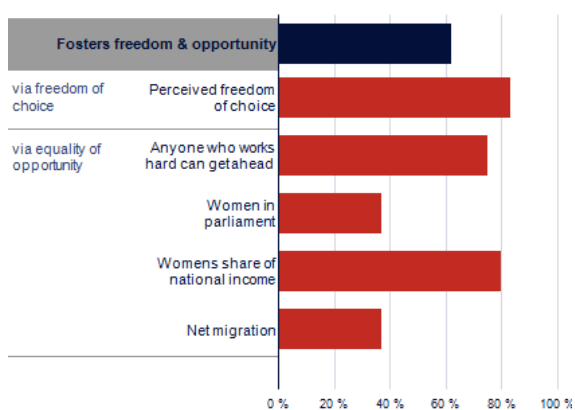
Levels of charitable giving are extremely high, according to the Gallup World Poll, with nearly two thirds of Australians reporting that they have donated to charity in the past month, and one third having volunteered their time. Strong norms of civic participation are also reflected in strong community life survey scores.

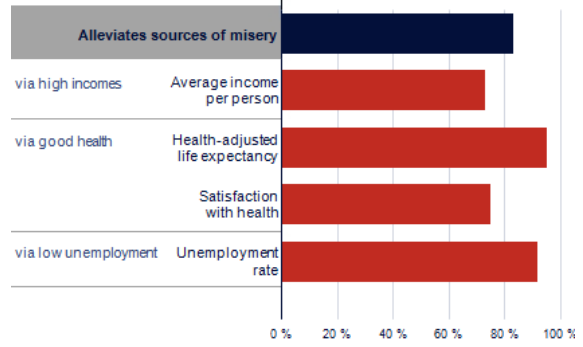
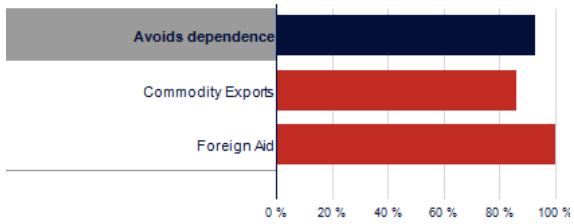
Australians have the highest sport participation rates in the world, and, according to Gallup, they enjoy substantial leisure time of, on average, over seven⁹ hours a day. As may come as no surprise, this is complemented by good environmental indicators, particularly air quality and land area devoted to nature. However, only about 50%⁹ of Australians report that they are satisfied with efforts to preserve the environment -- in contrast to about 70% for many countries in the Index -- so there is more to be done on this front.

ECONOMIC COMPETITIVENESS: SCORECARD

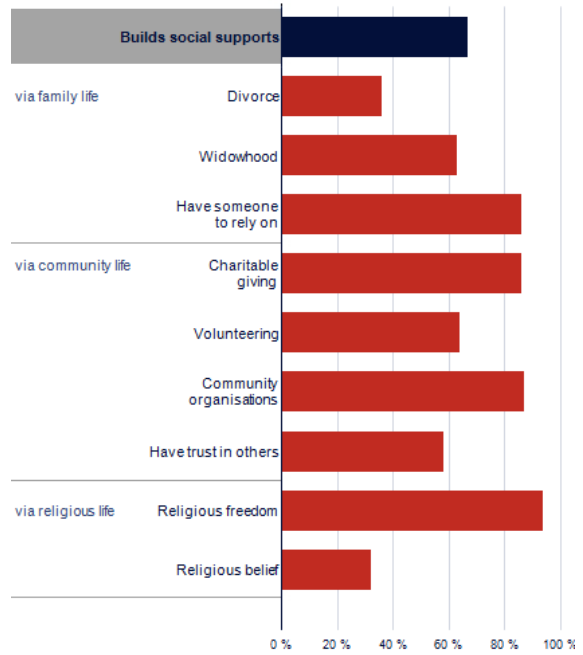


COMPARATIVE LIVEABILITY: SCORECARD





All subindicator scores in the Index are shown unweighted, expressed as a percentage of the score for the best-performing country in the Index. Indicator scores (in dark blue) are derived from the weighted average of relevant subindicators. For more information on how the subindicator scores are weighted to produce indicator scores and an overall Index score and ranking, see Chapter Two of this report.



References:

^{9, w} See www.prosperity.com/references.aspx for further details including date of survey, sample size, and margin of error.