

# NAB SPECIAL REPORT SERIES



## LIFE IN THE “LUCKY COUNTRY” – WHAT MAKES AUSTRALIA A GREAT PLACE TO LIVE AND HAVE A BUSINESS & OUR VISION AND CONCERNS FOR THE FUTURE

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Australia is well regarded as one of the best places to live in the world, and consistently ranks amongst the better performers globally when it comes to the ease of doing business. But do Australians agree and what is it we value most? In this special report, NAB asks 2,300 Australians and 500 businesses to explore life in the “lucky country” both now and in the future.

In this report, we ask whether Australians really agree that our country is a great place to live and to have a business and if so, what is it that makes Australia so special? We also ask Australians what they think will change and how they see their country’s future. Their message is clear: in the absence of reform, Australians - particularly consumers - fear what the future holds.

### KEY FINDINGS: NOW VS 10 YEARS’ TIME

2017	2027
Around 9 in 10 people (88%) think Australia’s a great place to live.	Australian consumers appear to fear the future.  Only 1 in 2 (54%) of people think Australia’s is still a great place to live.
Regardless of income, Australians overwhelmingly think our country is a great place to live.	Australians earning under \$35,000 are significantly more fearful of the future, compared to those earning over \$100,000 a year.
We most value open spaces, our people & lifestyle, healthcare, our environment and safety above all other Australian attributes.	Nearly all measures tested deteriorated (except for telecommunications, entertainment and public transport).  In particular, we think our access to social welfare and jobs, the affordability and quality of our housing, living costs and taxes will get much worse.
Around 8 in 10 (82%) businesses agree Australia is a great place to have a business.	Businesses are not as optimistic. Only 60% of businesses think Australia will still be a great place to have business in 10 years’ time.  11% think it won’t be, and 29% aren’t sure.
Businesses most value our economy, Asia and our growing population.	Businesses continue to be optimistic about our economy, Asia and our population.  But they fear the state of government, relationships between the federal and state governments, industrial relations and taxation.

## KEY FINDINGS: BY STATE

2017	2027
<b>New South Wales &amp; ACT</b>	
Australians living in NSW/ACT most value open spaces, people & lifestyle, healthcare, safety and environment.	Telecoms, entertainment and public transport contribute more to liveability, but living & housing costs contribute much less.
Businesses the most positive of all states for access/speed of telecoms and business incentives.	Telecoms, population and Asia contribute more to making Australia and great place to have a business; industrial relations, federal-state relations, governance & regulation deteriorate.
<b>Victoria</b>	
Open spaces, people & lifestyle and healthcare valued most highly, and entertainment options more important than in other state.	Safety to deteriorate, but social welfare to detract less from liveability than the Australian average.
Businesses the most positive in Australia in regards to population, finance, ease of starting a business and ports.	Most negative about the role of the workforce in making Australia a great place to have a business in 10 years' time.
<b>Queensland</b>	
Queenslanders most value open spaces, people & lifestyle and healthcare.	Most negative about living costs, but also expect taxes, social welfare and immigration to contribute far less to liveability.
Most businesses said the economy, Asia and population made Australia a great place to have a business.	Queensland businesses the least positive in relation to the economy in 10 years' time.
<b>South Australia &amp; Northern Territory</b>	
The most positive state in relation to travel time, living costs and housing.	Somewhat less positive about utilities, and noticeably less negative about living costs, housing, taxes, immigration, travel time and population.
Businesses the most positive of all states about the economy, Asia, research capabilities and innovation.	Businesses expect an improvement in research capabilities in 10 years' time but government and industrial relations to worsen.
<b>Western Australia</b>	
West Australians value open spaces, healthcare, safety and utilities highest of all states.	Telecoms, public transport and roads to improve in the next 10 years.
Workforce, government, infrastructure, air networks and entrepreneurship valued most highly by business.	Businesses more positive about the role of infrastructure, Asia and telecoms in making Australia a great place to have a business.
<b>Tasmania</b>	
Population, democracy, social welfare, telecoms and roads valued more highly than any other state.	Economy detracts more from liveability than any other state, but much less negative about living costs and inclusion.
Most businesses think the economy, population & Asia make Australia great to have a business.	Businesses more positive about the future of ports, roads and federal-state relations.

## 9 IN 10 OF US AGREE AUSTRALIA IS A GREAT PLACE TO LIVE

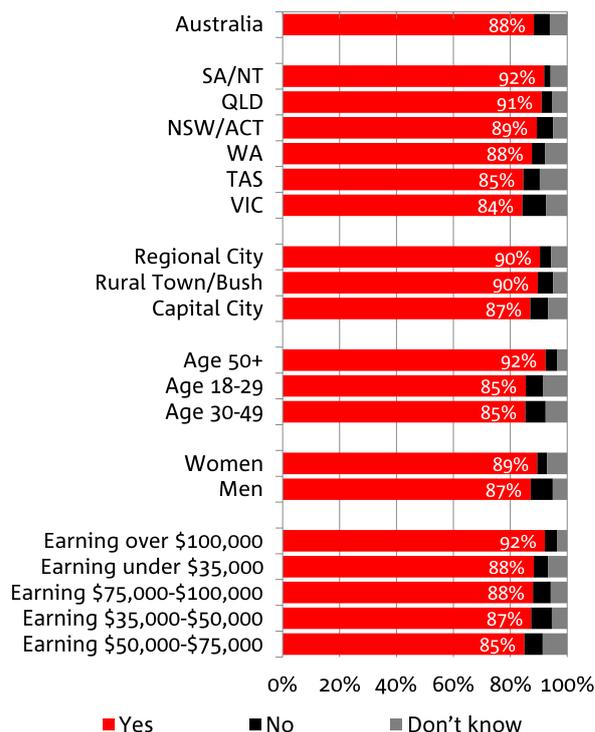
While the majority of consumers agree Australia is a great place to live, some think it's better than others...

Nearly 9 in 10 (88%) of us agree that this is a great place to live. Only 6% don't think it's a great place to live and 6% don't know. Opinions differ across key demographic groups.

By state, around 92% of people living in SA/NT and 91% in QLD believe Australia is a great place to live, compared to just 84% in VIC and 85% in TAS.

Australians living in regional cities and rural areas (90%) were more positive than those living in capital cities (87%), as were Australians over 50 (92%) compared to middle-aged and young people (85%).

Income does not appear to unduly influence our perceptions of liveability, with the highest income earners (92%) most positive, ahead of the lowest income group (88%).



## OPEN SPACES, OUR PEOPLE & LIFESTYLE MAKE AUSTRALIA A GREAT PLACE TO LIVE

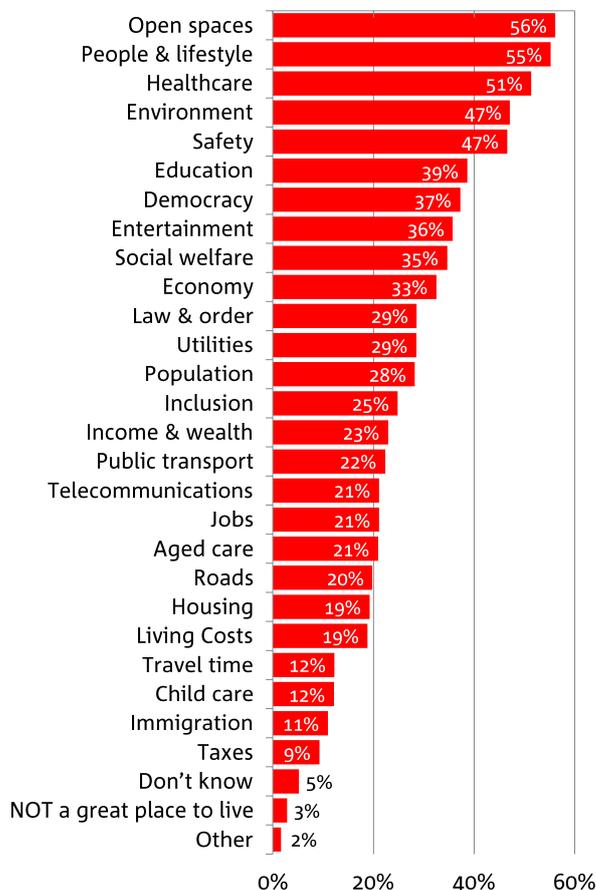
Above all else, we value open spaces like our beaches and parks (56%), the friendliness of our people & general lifestyle (55%) and our access to affordable and quality healthcare (51%).

Other factors include our clean environment and unique natural wonders (47%) and our relative safety/security from crime and terrorism (47%). Among the least important factors were our taxation levels (viewed positively by just 9% of Australians), our level of migrant intake (11%), access to affordable and quality childcare (12%) and the lack of congestion and travel times to work (12%).

What makes Australia a great place to live varies by the state we live in, by region, gender and age. For example, safety contributed less in VIC (41%) than any other state, while Victorians valued their entertainment options (41%) higher than the rest of the country. In NSW/ACT, roads (16%) contributed much less compared to other states.

By age, over 50s typically viewed most factors more positively than other age groups, except (unsurprisingly) jobs and childcare.

By gender, people & lifestyle was more important for women, while men said that democracy, social welfare, the economy and law made Australia a great place to live.



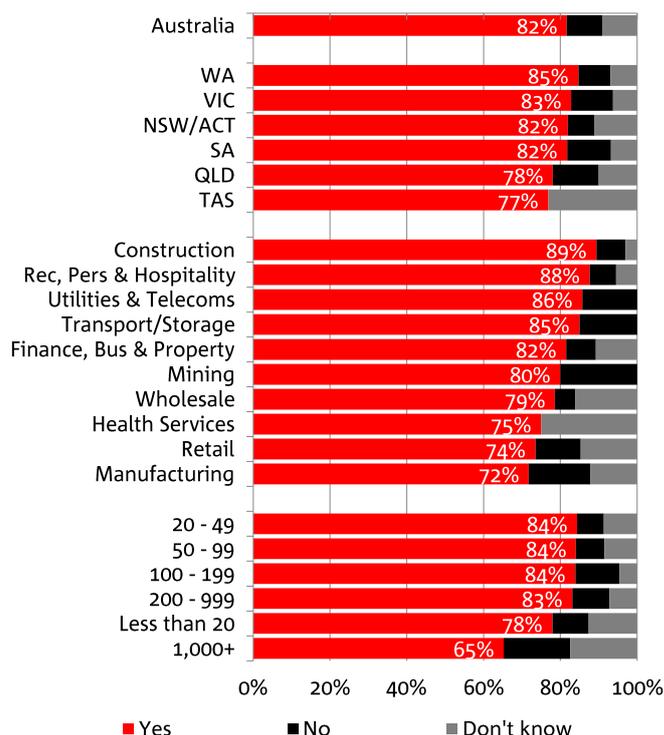
## 8 IN 10 BUSINESSES THINK AUSTRALIA IS A GREAT PLACE TO HAVE A BUSINESS

Businesses clearly appreciate Australia; 8 in 10 (82%) agree that our country is a great place to have a business. Only 9% don't think so and 9% don't know.

There are some key differences by location. About 85% of businesses based in WA said Australia was a great place to have a business, followed by Victoria (83%), NSW/ACT (82%) and SA/NT (82%). In Queensland, just 78% said it was a great place to have a business, with Tasmania (77%) lagging, albeit from a smaller base.

There were much bigger differences by industry and business size. Businesses in Construction (89%) and Recreational, Personal Services & Hospitality (88%) were the most positive, while businesses in Manufacturing (72%) and Retail (74%) were the least positive.

By business size, there was broad agreement that Australia is a great place to have a business by about 84% of all businesses employing between 20 and 999 employees. Very large businesses employing over 1,000 workers were far less positive (65%) as were the very smallest of businesses (78%).



## BUSINESSES VALUE OUR ECONOMY, ASIA AND A GROWING AUSTRALIAN POPULATION

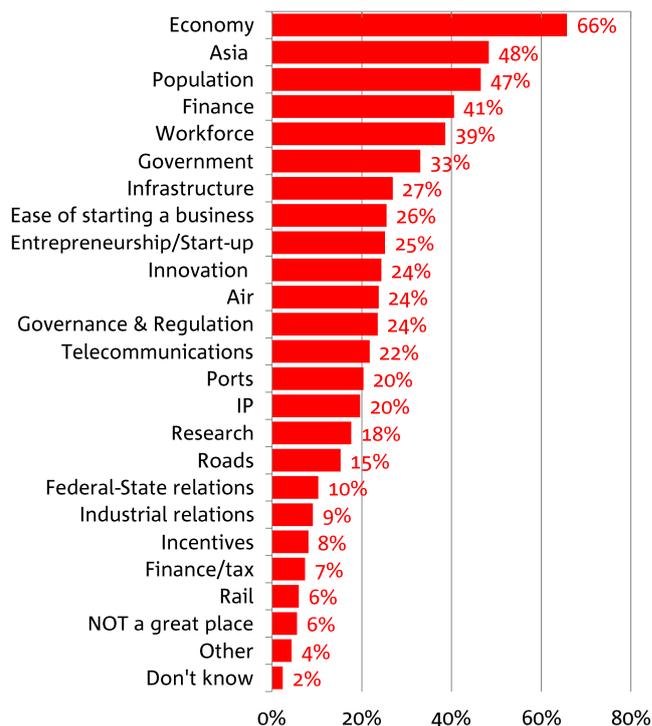
Two in 3 (66%) businesses value our relatively stable and strong economy, followed by our close proximity and strong connections to Asia (48%), and our growing population (47%). Just over 41% of businesses valued the ease of accessing debt and equity to start and grow their businesses, while 39% pointed to access to a talented and productive workforce and 33% to our relatively stable system of government and regulatory framework.

The least positive factors were the quality of our rail network (viewed positively by 6% of businesses), our taxation system and finance regime/levels (7%), business incentives including R&D (8%), and our system labour and industrial relations (9%).

Our economy was viewed most positively in SA/NT (76%) and Victoria (71%), above Queensland (54%) and WA (64%). Victorians valued Australia's growing population, while SA/NT businesses were noticeably more positive about our connections and proximity to Asia (60%) and world class research capabilities (31%). Businesses in NSW/ACT valued access to, and speed of, telecommunications including the internet (29%).

By industry, most industries rated the economy most positively, except in Mining (60%) and Health Services (50%), where workforce quality was a bigger positive (75%).

By business size, Asia (70%) and the quality of our workforce (61%) were viewed positively by the very largest businesses. In contrast, smaller firms were much more positive in relation to Australia's growing population (53%), ease of starting a business (32%).



## AUSTRALIAN CONSUMERS FEAR THE FUTURE

While most of us view Australia as a great place to live now, we're not so optimistic about whether it will still be a great place to live 10 years from now.

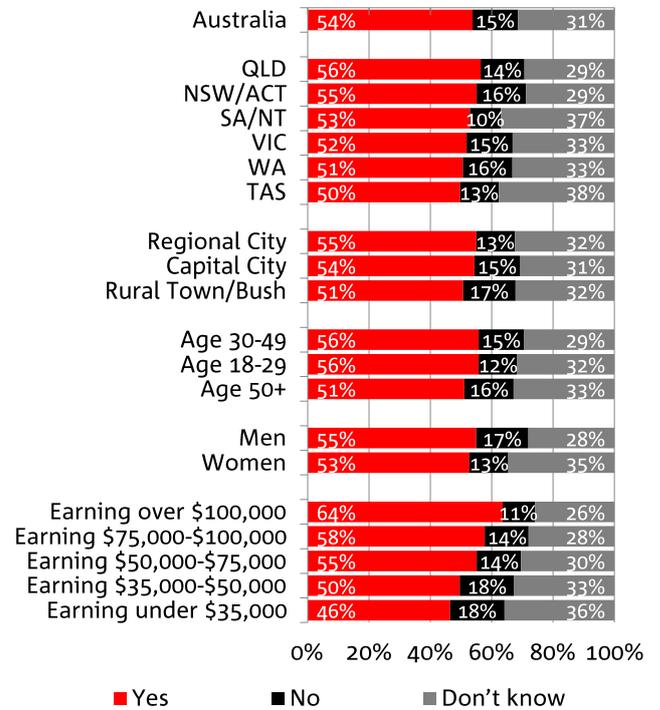
Australian consumers appear to fear the future. Only 1 in 2 (54%) of people think Australia's a great place to live. 15% think that it won't be and almost 1 in 3 (31%) aren't sure of what the future holds. And, all key demographic groups are less optimistic.

By state, there was not a lot of difference in the number of people who believe that Australia will still be a great place to live in 10 years' time. Australians in regional cities (55%) were more optimistic than those in rural towns/bush (51%) and capital cities (54%). Men (55%) were also slightly more optimistic than women (53%).

By age, older Australians, a group which rated Australia among the highest as a great place to live now, are far less optimistic about the future.

While income did not influence perceptions of current liveability, 10 years from now there was a strong relationship with income, with the highest income earners (64%) by far the most optimistic and the lowest income earners (46%) by far the least optimistic.

And almost 1 in 5 earning less than \$50,000 (18%) don't think Australia will be a great place to live in the future, compared to just over 1 in 10 high income earners.



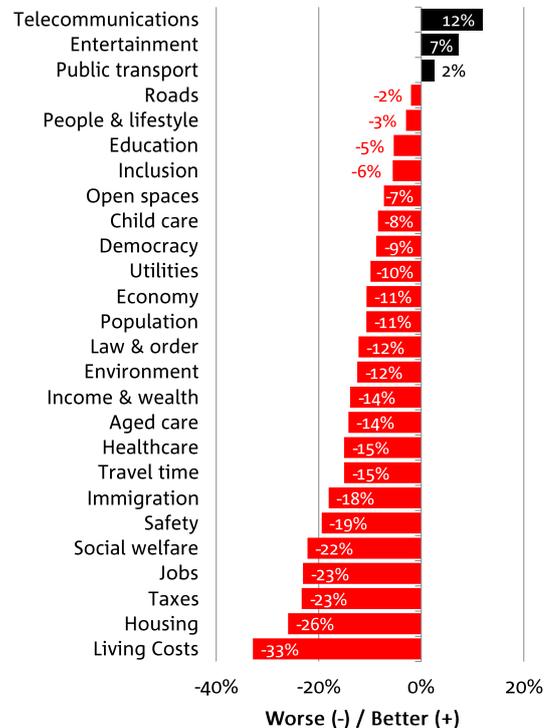
## AUSTRALIANS EXPECT LIVING COSTS, HOUSING AFFORDABILITY & TAXES TO GET WORSE

Australians say most things to deteriorate in the next 10 years, except for telecoms & internet (+12%), entertainment such as restaurants, sports etc., (+7%) and quality & availability of public transport (+2%).

We anticipate very little progress in the areas we think are already holding Australia back. For example, we believe that the biggest deterioration in the next 10 years will occur in living costs (-33%) - a factor already ranking amongst the lowest reasons for why Australia is a great place to live now. We also expect housing access and affordability (-26%), taxes (-23%) and jobs (-23%) to deteriorate - again, all factors that currently rate lower.

There are some big differences by region, age & gender. By region, those in rural towns and the bush expect most factors making Australia a great place to live now to deteriorate much more than those living in regional and capital cities. This is most apparent in relation to housing, jobs, social welfare, safety and healthcare.

By age, young Australians are much more optimistic across nearly all factors, while older Australians are the most pessimistic, except in relation to telecommunications and entertainment. By gender, however, there was broad agreement by men and women across all factors.



\*net balance (improve/deteriorate) e.g. 9% expect living costs to get better; 42% to get worse: On balance -33% worse

## BUSINESS OPTIMISM FADES 10 YEARS FROM NOW

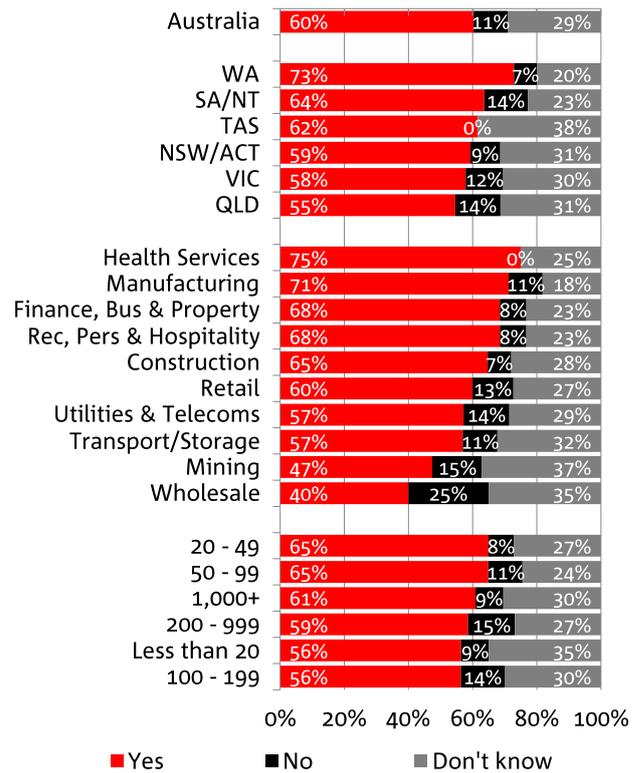
Australian businesses are not positive about whether our country will be as great in 10 years' time.

Just 6 in 10 (60%) businesses think Australia will still be a great place to have a business, 11% believe it won't and 29% aren't sure.

By state, the number of businesses who think Australia will still be a great place to have a business in 10 years' time, ranged from 73% in WA to 55% in QLD. Expectations were however scaled back most in VIC (from 83% now to 58% in 10 years' time) and NSW/ACT (82% to 59%).

By sector, Health Services (75%) and Manufacturing (71%) firms were the most optimistic about the future – but all other sectors were less positive. Expectations were cut back most in Wholesale (40%), Mining (47%), Utilities & Telecoms (57%) and Transport/Storage (57%) firms.

By business size, all businesses were less positive about the future, particularly those employing between 100-999 people.



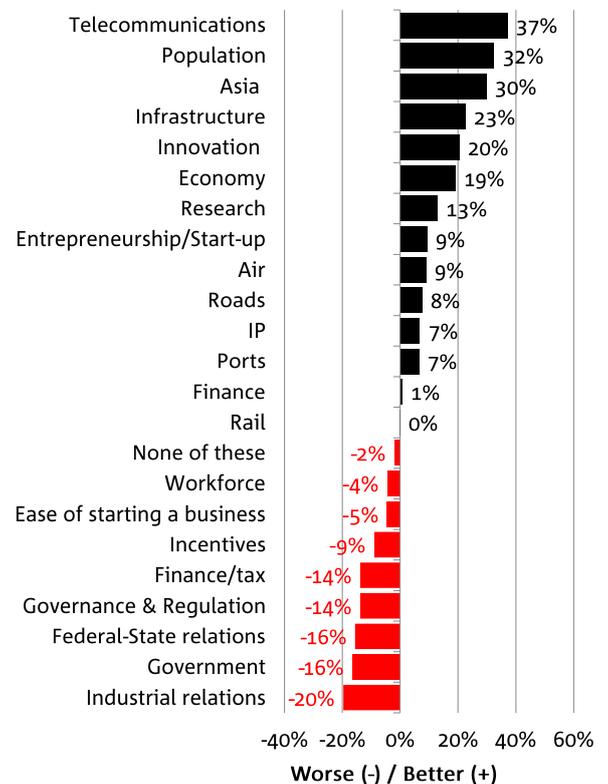
## INDUSTRIAL RELATIONS, GOVERNMENT, GOVERNANCE TAXES & INCENTIVES TO DETRACT FROM MAKING AUSTRALIA A GREAT PLACE TO HAVE A BUSINESS IN 10 YEARS' TIME

On balance, businesses said they expect things to improve in regards to telecoms (+37%), population (+32%) and connections with Asia (+30%). A lot more also expect improvements in our infrastructure (+23%), innovation (+20%), and the economy (+19%).

But Australian businesses also expect our system / regulations of labour and industrial relations to significantly deteriorate in the next 10 years. They also displayed some pessimism on the quality of future governments (-16%), and the relationship those governments have with each other (-16%). It appears businesses don't have much confidence in progress being made in areas they already identify as concerning.

By industry, businesses operating in the Recreational, Personal Services & Hospitality industry were by far the most positive in regards to the economy, while Transport/Storage businesses were the most negative on industrial relations and the workforce.

By business size, the largest firms were much more positive about infrastructure, but also the most negative about governance & regulation, industrial relations and finance/tax. Smaller firms employing 20-49 people were noticeably more positive on Australia's burgeoning entrepreneurship/start up culture and telecoms.



\*net balance (improve/deteriorate) e.g. 38% expect economy to get better; 19% to get worse: On balance +19% better

## ABOUT THIS SURVEY

### Consumers

Around 2,300 respondents participated in the *Australia is a Great Place to Live* survey, with weights applied to age, location and gender to ensure that the survey reasonably reflects the Australian population.

### Business

About 530 businesses participated in the *Australia is a Great Place to Have a Business* survey.

## CONTACT THE AUTHORS

Alan Oster  
Group Chief Economist  
[Alan.Oster@nab.com.au](mailto:Alan.Oster@nab.com.au)  
+613 8634 2927

Dean Pearson  
Head of Behavioural & Industry Economics  
[Dean.Pearson@nab.com.au](mailto:Dean.Pearson@nab.com.au)  
+613 8634 2331

Robert De lure  
Senior Economist - Behavioural & Industry Economics  
[Robert.De.lure@nab.com.au](mailto:Robert.De.lure@nab.com.au)  
+613 8634 4611

Brien McDonald  
Senior Economist - Behavioural & Industry Economics  
[Brien.McDonald@nab.com.au](mailto:Brien.McDonald@nab.com.au)  
+613 8634 3837

Steven Wu  
Economist - Behavioural & Industry Economics  
[Steven.A.Wu@nab.com.au](mailto:Steven.A.Wu@nab.com.au)  
+613 9208 2929

## Group Economics

Alan Oster  
Group Chief Economist  
+61 3 8634 2927

Jacqui Brand  
Personal Assistant  
+61 3 8634 2181

### Australian Economics and Commodities

Riki Polygenis  
Head of Australian Economics  
+(61 3) 8697 9534

James Glenn  
Senior Economist - Australia  
+(61 3) 9208 8129

Vyanne Lai  
Economist - Australia  
+(61 3) 8634 0198

Phin Ziebell  
Economist - Australia  
+61 (0) 475 940 662

Amy Li  
Economist - Australia  
+(61 3) 8634 1563

### Behavioural & Industry Economics

Dean Pearson  
Head of Behavioural & Industry  
Economics  
+(61 3) 8634 2331

Robert De Iure  
Senior Economist - Behavioural &  
Industry Economics  
+(61 3) 8634 4611

Brien McDonald  
Senior Economist - Behavioural &  
Industry Economics  
+(61 3) 8634 3837

Steven Wu  
Economist - Behavioural &  
Industry Economics  
+(613) 9208 2929

### International Economics

Tom Taylor  
Head of Economics, International  
+(61 3) 8634 1883

Tony Kelly  
Senior Economist - International  
+(61 3) 9208 5049

Gerard Burg  
Senior Economist - Asia  
+(61 3) 8634 2788

John Sharma  
Economist - Sovereign Risk  
+(61 3) 8634 4514

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