

NAB SPECIAL INSIGHT REPORT

LIFE IN THE 'LUCKY COUNTRY' 2020: IS AUSTRALIA STILL A GREAT PLACE TO LIVE, WHAT MAKES IT GREAT & WHAT OF THE FUTURE?



NAB Behavioural & Industry Economics

January 2020

EXECUTIVE SUMMARY:

Is Australia still the lucky country? NAB's annual pulse check of life in Australia confirms it is, with Australians in strong agreement that our country remains a great place to live. But, many are also fearful of the future, believing our enviable lifestyle will not last and that we lack a clear and shared vision for where we're headed as a nation. Of concern, new research shows that most Australians don't believe they have a voice in helping to shape the future of our country.

Overall, 9 in 10 Australians agreed our country remains a great place to live. This belief held true irrespective of the state or territory we live in, our age, gender or even income level. For most of us, it's our access to open spaces that make this country so special. We also value highly our general lifestyle and the friendliness of our people, our relative safety and security, our clean environment and unique natural wonders, access to affordable and quality healthcare, our democratic system of government, availability and access to quality education and our entertainment options.

While still painting a positive picture, we're a little more downbeat compared to 12 months ago. Some areas in particular were viewed much less positively, including our relatively stable and strong economy (not surprising given tougher economic conditions and increasing global uncertainties), availability and access to quality education, affordable and quality healthcare and the quality of our utilities provision.

Looking ahead, while 9 in 10 of us think Australia is a great country to live in now, only 5 in 10 believe this will still be the case in 10 years' time (and a further 3 in 10 are unsure). In fact, with the exceptions of entertainment, public transport and telecommunications, all other aspects of liveability are expected to deteriorate - particularly future living costs, the environment, jobs, safety, travel times to work, and access to and affordability of housing.

While inflation remains low, some essentials such as medical services, electricity and education have increased significantly in price over recent years and our wages have not been rising fast enough to meet these cost rises. This may be shaping how people view the future. Australians are also facing unprecedented levels of uncertainty as the pace of change (particularly technology) means most of us are struggling to simply understand where we're headed.

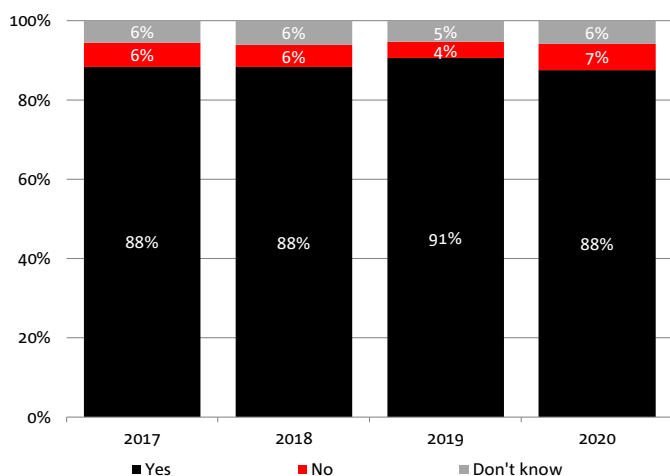
Australia is changing in other ways too. The last 10 years has seen our population grow by almost 4 million people to 25 million and it's expected to hit 30 million over the next 10 years. This will present opportunities as well as challenges. Economic concerns such as cost of living, employment and housing affordability are front of mind, along with social issues such as income inequality, congestion, safety, law and order, as well as the environment. How we as a nation frame such issues will play an important role in shaping our future.

Having a collective 'vision' can bring people together and provide some idea as to what the future may hold. Of concern, only 1 in 5 people believe Australia has a clear and shared vision for where we're headed as a nation in the next 10 years. More importantly, 6 in 10 Australians also don't feel they have a voice in shaping where their nation is headed. Clearly, many people believe they're excluded from having a say in important decisions that affect their lives and the direction of our country.

Australia faces some genuine challenges over the next decade but these don't fully explain why many of us are so pessimistic about the future. Perhaps most Australian's simply don't have a good enough story where we're headed as a nation. Confronted with incomplete information, we are increasingly filling these gaps with fear. This suggests a need for more public debate around the future direction of our country and what matters most to people. Please note, this survey was taken prior to the recent bushfires spreading across many parts of the country.

Australia is still a great place to live, at least for now!...

AUSTRALIA - A GREAT PLACE TO LIVE NOW?



It's over 55 years since the publication of the book *The Lucky Country* by Donald Horne. While the term “lucky country” was certainly not meant to be used favourably (with the historian arguing Australia’s prosperity was simply due to luck, rather than superior economic and political management, innovation, drive or culture), it has become a catch cry for among other things, our enviable lifestyle, location and natural resource endowment.

But do Australian’s agree and what of the future?

NAB’s annual pulse check survey on how Australians view their country continues to show a clear majority - almost 9 in 10 - think it’s a great place to live now.

Australians living in QLD (90%) and SA (90%) are most optimistic, and noticeably more so than Australians living in the ACT (78%).

Australians aged 18-29 and 30-49 were also slightly more pessimistic about Australia’s status as a place to live, with 86% viewing our nation positively (90% in 2019).

For the first time, we split the 50+ age group into 50-64 year olds and over 65s. And it’s very clear over 65s are by far the most enthusiastic, with nearly all (95%) agreeing Australia is indeed a great place to live now.

There was little difference in perceptions between men (87%) and women (89%).

Income also didn’t appear to play a major role influencing our perceptions, with those indicating Australia was a great place to live ranging from 85% in the lowest income group (less than \$35,000 p.a.) to 90% in the highest income groups (over \$100,000 p.a.)



NUMBER OF AUSTRALIANS WHO BELIEVE AUSTRALIA IS A GREAT PLACE TO LIVE NOW

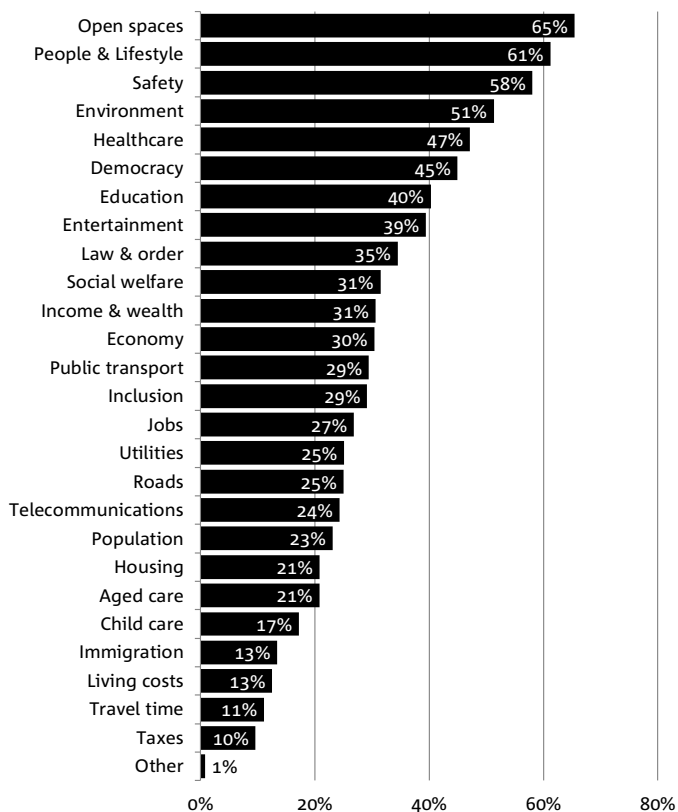
	AUST	NSW*	ACT	VIC	QLD	SA#	NT	WA	TAS	18-29	30-49	50+	50-64	65+	Men	Women
2017	88%	89%	n.a.	84%	91%	92%	n.a.	88%	85%	85%	85%	92%	n.a.	n.a.	87%	89%
2018	88%	88%	n.a.	86%	92%	91%	n.a.	87%	92%	86%	86%	92%	n.a.	n.a.	89%	88%
2019	91%	89%	n.a.	91%	92%	88%	n.a.	92%	96%	90%	90%	91%	n.a.	n.a.	90%	91%
2020	88%	86%	78%	88%	90%	90%	84%	89%	82%	86%	86%	n.a.	85%	95%	86%	89%

*Data prior from 2017-19 refers to NSW/ACT.

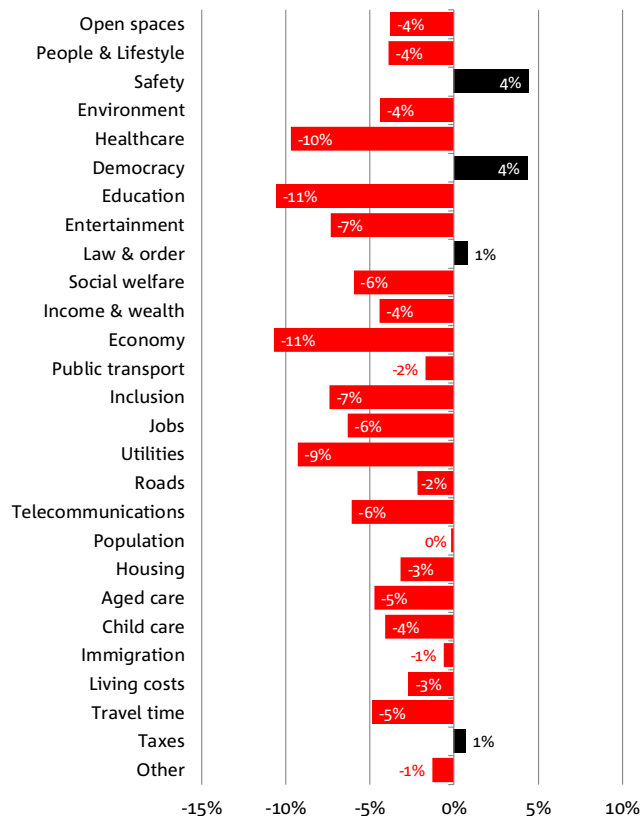
#Data from 2017-19 refers to SA/NT

But we're somewhat more downbeat than in 2019...

WHAT MAKES AUSTRALIA A GREAT PLACE TO LIVE 2020



HOW HAVE PERCEPTIONS OF AUSTRALIA CHANGED SINCE LAST YEAR?



What is it that makes Australia a great place to live?

For most Australians (almost 2 in 3 or 65%), it's our access to open spaces, beaches, parks etc. that make it special. The next biggest attractions are our general lifestyle and the friendliness of our people (61%) and our relative safety or security arising from crime, terrorism, etc. (58%).

Other key factors include our clean environment and unique natural wonders (51%), access to affordable and quality healthcare (47%), our democratic system of government (45%), availability and access to quality education (40%) and our entertainment options such as restaurants, cinema, theatre, sports etc. (39%).

Factors that resonated least were our levels of taxes (10%), the lack of congestion and travel times to work (11%), our living costs (13%) and our level of migrant intake or immigration (13%).

We were however somewhat more downbeat about most of the things that make our nation a great place to live compared to last year. We noted a particularly large fall in the number of people who identified our relatively stable and strong economy as a key factor underpinning liveability (30% in 2020 vs. 41% in 2019) - perhaps not surprising given tougher economic conditions and increasing global uncertainties through 2019 facing our country in 2019.

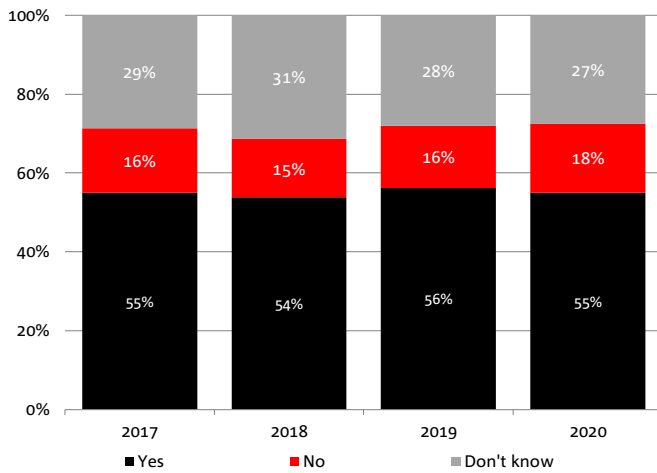
Other areas that resonated with noticeably fewer Australians included our availability and access to quality education (40% in 2020 vs. 51% in 2019), access to affordable and quality healthcare (47% in 2020 vs. 57% in 2019) and the quality of our utilities provision (25% in 2020 vs. 34% in 2019).

Safety (58% in 2020 vs. 54% in 2019), democracy (45% in 2020 vs. 41%), our strong system of law and order (35% vs. 34% in 2019) and taxes (10% vs. 9%) were the only things that were viewed positively by more people in 2020 - albeit only marginally more.

See appendix 1 for top 15 drivers in each state.

And many don't think Australia will be as great a place to live in 10 years' time!...

AUSTRALIA - A GREAT PLACE TO LIVE IN 10 YEARS?



Australians are far less optimistic about future liveability in their country. While 88% think it's a great country to live in now, only 55% think it will still be a great place to live in 10 years' time. Moreover, almost 1 in 5 (18%) believe it won't be a great place to live (compared to 7% who don't think so now), but almost 3 in 10 (27%) aren't sure.

Australians living in the NT are by far the most optimistic about the future, with 3 in 4 (75%) indicating Australia will still be a great place (but from a smaller sample size), followed by SA (64%). People living in our nation's capital are the least optimistic (49%).

Almost 2 in 3 (62%) 18-29 year olds see a rosy future. The 50-64 age group far more pessimistic with only 46% expecting the status quo to be maintained.

Men (57%) also continue to be somewhat more positive about the future than women (53%).

Although income didn't appear to unduly influence perceptions of living in Australia now, the future looks positive for much more people in the highest income group (62%) than it does among those in the lowest income group (47%).

NUMBER OF AUSTRALIANS WHO BELIEVE AUSTRALIA WILL STILL BE A GREAT PLACE TO LIVE IN 10 YEARS' TIME

	AUST	NSW*	ACT	VIC	QLD	SA#	NT	WA	TAS	18-29	30-49	50+	50-64	65+	Men	Women
2017	55%	55%	n.a.	53%	56%	57%	n.a.	58%	46%	60%	55%	52%	n.a.	n.a.	58%	52%
2018	54%	55%	n.a.	52%	56%	53%	n.a.	51%	50%	56%	56%	51%	n.a.	n.a.	55%	53%
2019	56%	57%	n.a.	58%	51%	56%	n.a.	60%	54%	63%	56%	53%	n.a.	n.a.	60%	52%
2020	55%	55%	49%	51%	57%	64%	75%	55%	51%	62%	56%	n.a.	46%	56%	57%	53%

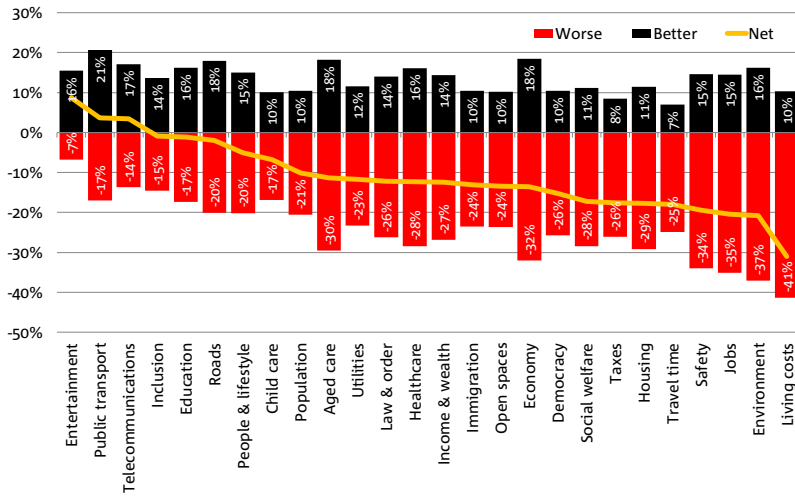
*Data prior from 2017-19 refers to NSW/ACT.

#Data from 2017-19 refers to SA/NT



With very few things expected to be better than they are now!

WILL IT GET BETTER OR WORSE IN THE NEXT 10 YEARS?



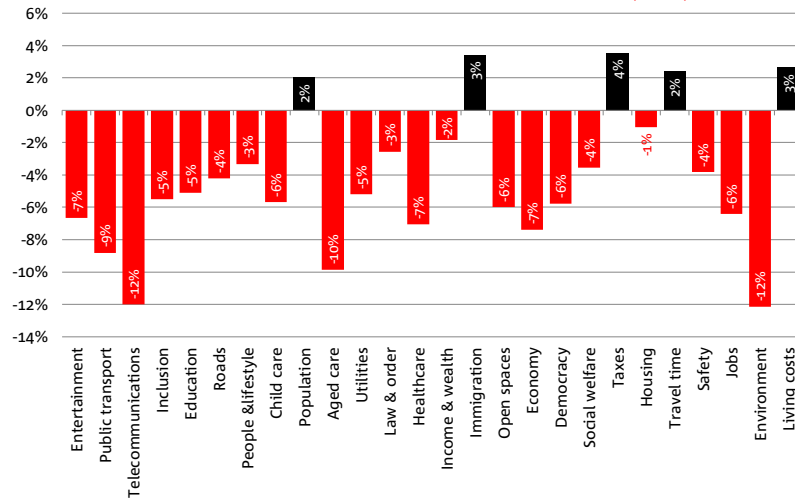
To understand why Australians are less optimistic about future liveability, we asked them what things would improve or deteriorate in the next 10 years. The chart on the left summarises these results.

It clearly shows the number of pessimists outweighs optimists for all key drivers of liveability, except entertainment, public transport and telecommunications, where on balance slightly more Australians expect things to improve than deteriorate.

Living costs remain by far the biggest area of concern according to a net -31% of all Australians (around 4 in 10 or 41% expect their living costs to deteriorate but only 1 in 10 or 10% to improve). Other key areas of concern were the environment, jobs, safety, travel times and housing.

Not only do Australians on balance believe most drivers of liveability will deteriorate, they are more pessimistic about the future than they were last year.

HOW PERCEPTIONS HAVE CHANGED SINCE LAST YEAR (NET*)



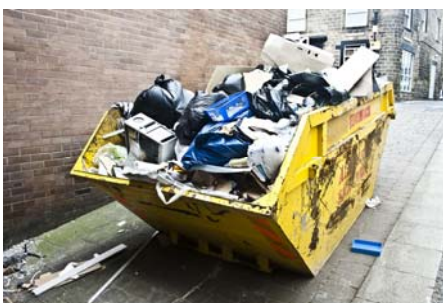
The chart on the left shows the change in the net number of responses for all drivers of liveability compared to last year.

For example, a net +13% of Australians expect public transport to improve in the next 10 years last year, but only +4% in 2020 - a change of -7%.

The aspects of liveability that most Australians are less optimistic about the than in 2019 are the environment (-12%), the quality of telecommunications (-12%), aged care (-10%) and public transport (-9%).

There are however some things more Australians thought will improve than deteriorate. These are taxes (+4%), living costs (+3%), immigration (+3%), our relative level of population (+2%) and travel times to work (+2%).

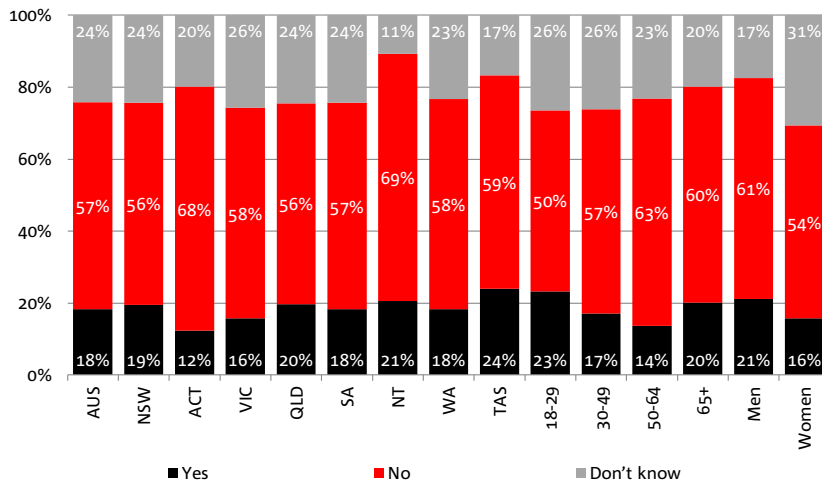
See appendix 2 for state details.



And not only do few Australians believe our country has a clear and shared vision for our nation's future, few also believe they have a voice in helping to shape that future!

Australia is experiencing transformative change. The last 10 years alone has seen our population grow by almost 4 million people to 25 million and it's expected to hit 30 million over the next 10 years. This will not come without its challenges. Social commentary indicates that economic concerns such as cost of living, employment and housing affordability will be front of mind, along with social issues such as poverty, law and order, safety and education, as well as the environment. How our nation responds to these issues will play a key role in shaping the future. Having a 'vision' can help provide an idea of what the future may hold.

DOES AUSTRALIA HAVE A CLEAR SHARED VISION FOR WHERE WE'RE HEADED AS A NATION IN 10 YEARS TIME?



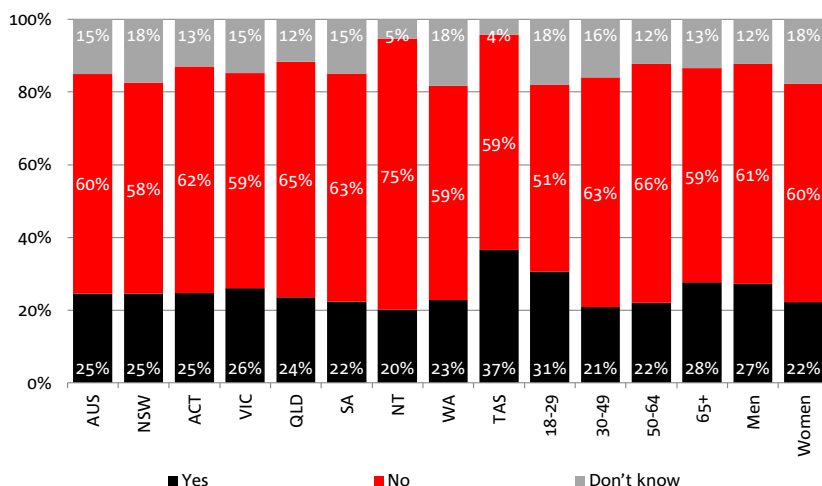
In this regard, it's disappointing only around 1 in 5 (18%) Australians believe that Australia has a clear and shared vision for where we're headed as a nation in the next 10 years.

But this number ranges dramatically according to where we live - from just 12% in the ACT to 24% in TAS.

Encouragingly, young people aged 18-29 are the most optimistic, with almost 1 in 4 (23%) believing we do have a vision. Conversely, only 14% of Australians aged 50-64 year olds thought we did.

More men (21%) than women (15%) thought we had a clear vision, but a noticeably larger number of women (31%) were unsure than were men (17%).

DO YOU BELIEVE YOU HAVE A VOICE IN SHAPING WHERE AUSTRALIA HEADED AS A NATION IN 10 YEARS TIME?



Six in 10 Australians (60%) also don't feel they have a voice in shaping where their nation is headed in 10 years' time. Only 1 in 4 or 25% thought they did.

Across the country, however, TAS and the NT stood out. A much higher number of people living in TAS (37%) believe they have a voice in shaping the future, but a noticeably higher number in the NT (75%) said they didn't (albeit from a smaller sample size).

By age, noticeably more younger Australians aged 18-29 (31%) and over 65 (28%) believe they were being heard than other age groups.

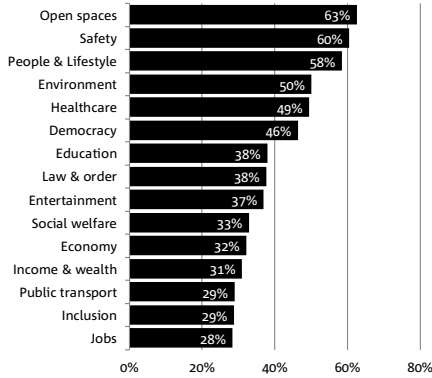
More men (27%) also felt they had a voice than did women (22%).

Income was not a differentiator.

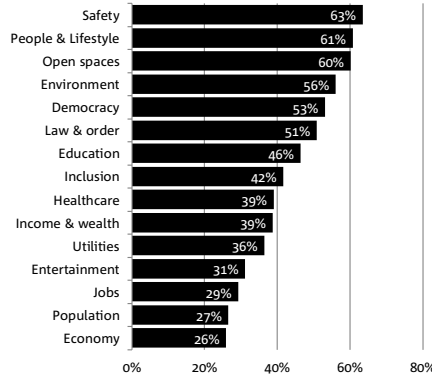
APPENDIX 1

WHAT MAKES AUSTRALIA A GREAT PLACE TO LIVE 2020: TOP 10 BY STATE/TERRITORY

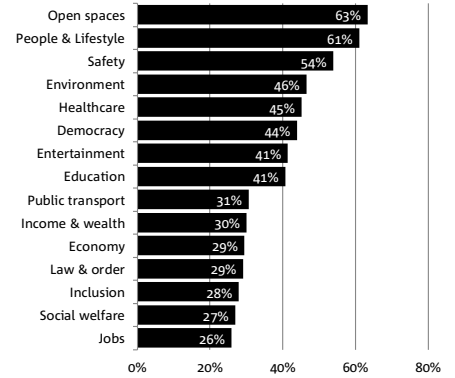
WHAT MAKES AUSTRALIA A GREAT PLACE TO LIVE
2020: TOP 15 NSW



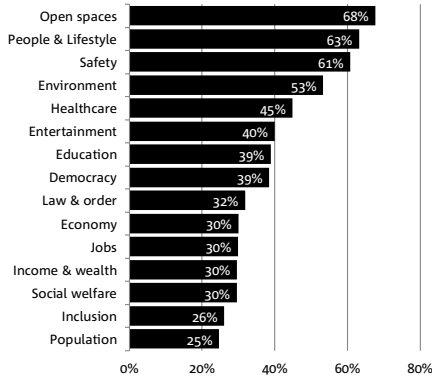
WHAT MAKES AUSTRALIA A GREAT PLACE TO LIVE
2020: TOP 15 ACT



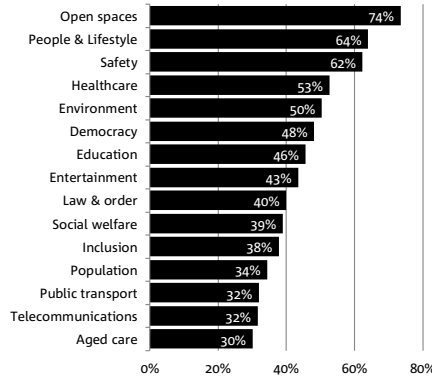
WHAT MAKES AUSTRALIA A GREAT PLACE TO LIVE
2020: TOP 15 VIC



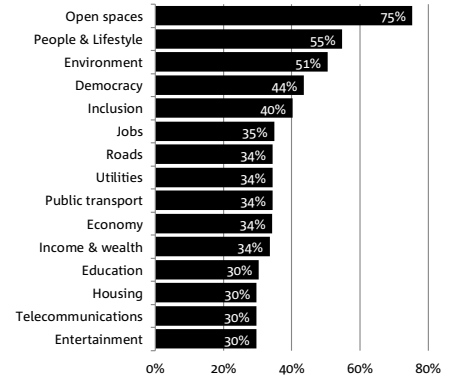
WHAT MAKES AUSTRALIA A GREAT PLACE TO LIVE
2020: TOP 15 QLD



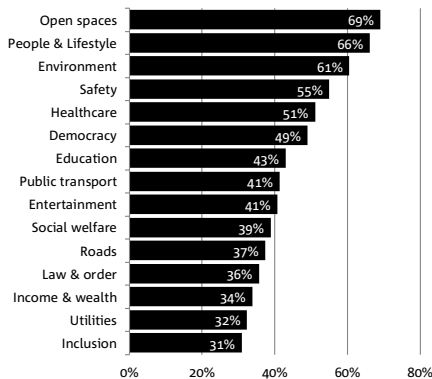
WHAT MAKES AUSTRALIA A GREAT PLACE TO LIVE
2020: TOP 15 SA



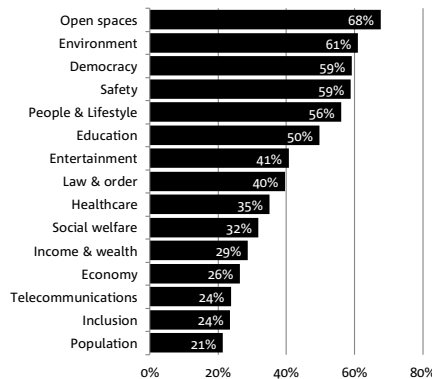
WHAT MAKES AUSTRALIA A GREAT PLACE TO LIVE
2020: TOP 15 NT



WHAT MAKES AUSTRALIA A GREAT PLACE TO LIVE
2020: TOP 15 WA



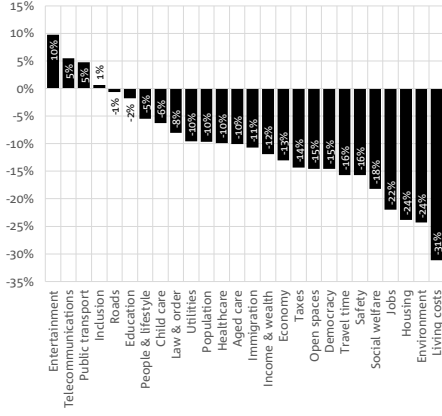
WHAT MAKES AUSTRALIA A GREAT PLACE TO LIVE
2020: TOP 15 TAS



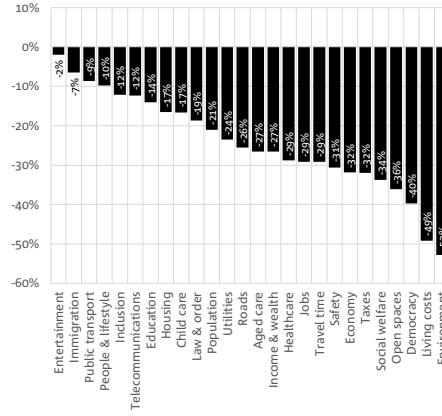
APPENDIX 2

WILL LIVEABILITY FACTORS IMPROVE OR DETERIORATE IN NEXT 10 YEARS: BY STATE/TERRITORY?

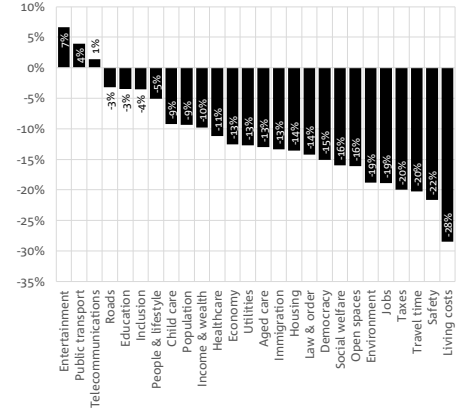
IMPROVE/DETERIORATE IN NEXT 10 YRS (NET): NSW



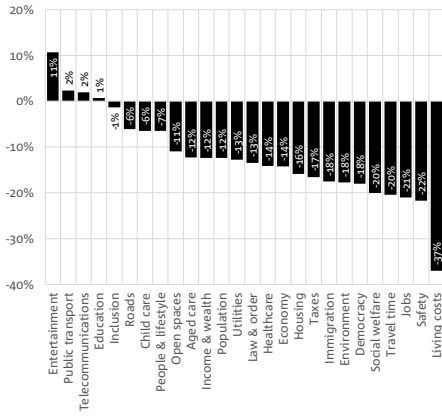
IMPROVE/DETERIORATE IN NEXT 10 YRS (NET): ACT



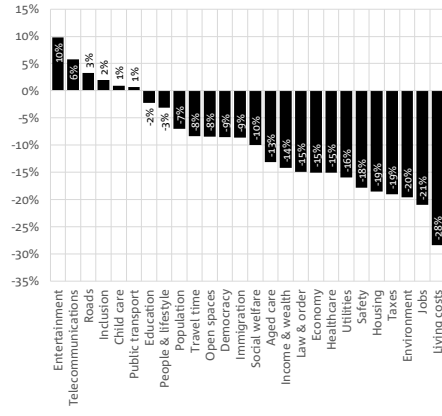
IMPROVE/DETERIORATE IN NEXT 10 YRS (NET): VIC



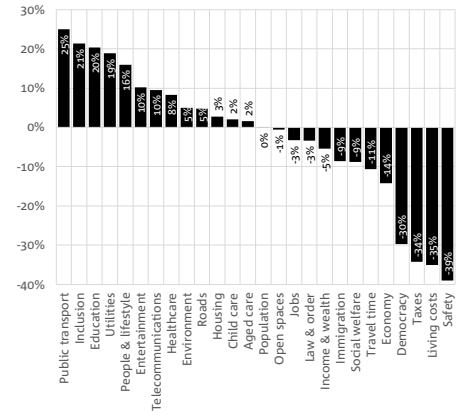
IMPROVE/DETERIORATE IN NEXT 10 YRS (NET): QLD



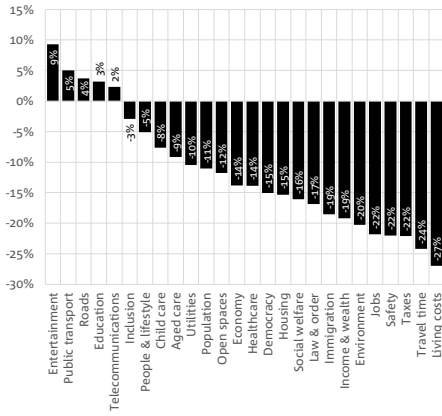
IMPROVE/DETERIORATE IN NEXT 10 YRS (NET): SA



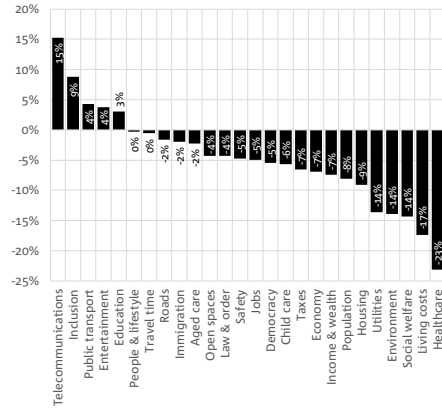
IMPROVE/DETERIORATE IN NEXT 10 YRS (NET): NT



IMPROVE/DETERIORATE IN NEXT 10 YRS (NET): WA



IMPROVE/DETERIORATE IN NEXT 10 YRS (NET): TAS



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