

NAB SPECIAL INSIGHT REPORT

LIFE IN THE 'LUCKY COUNTRY' 2021: IS AUSTRALIA STILL A GREAT PLACE TO LIVE, WHAT MAKES IT GREAT & WHAT OF THE FUTURE?



NAB Behavioural & Industry Economics

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By most measures (economic and social) Australia stacks up remarkably well against other countries as a place to live and work. This enviable position often sees Australia labelled the “Lucky Country”, a phrase coined in the 1964 book of the same name by historian Donald Horne. While the term has come to embrace all that is good about Australian society, in reality Horne viewed Australia’s prosperity as a function of luck rather than merit. But do Australians agree, what do we value most and what do we fear losing?

In this special report, NAB again asked over 2,000 Australians from all walks of life to explore life in our lucky country. NAB Behavioural Economics has been conducting this annual pulse check since 2016. In 2020, Australia faced enormous challenges - from widespread bushfires to COVID-19. So has our view of our country changed, do we value the same things post COVID and what of our perceptions of the future? What emerges is a much more positive nation, not just in terms of valuing what we have today but also where our country is headed. While many Australians still don’t feel they have a voice in shaping our nation’s future, there are opportunities both economically and socially to harness this growing optimism.

EXECUTIVE SUMMARY:

Is Australia still the “lucky country”? Overwhelmingly Australians believe it is. Despite the challenges our nation has faced over the past year, more people than ever said Australia is a great place to live. This year, 94% agreed that Australia was a great place to live - a significant improvement on 2020 (88%). Australians were more positive in all states, led by the NT (100%) and QLD (95%). SA was lowest at a still very respectable 92%. Australians in the over 65 age group (97%) were again the most positive about living in Australia, but optimism improved in all groups - from 86% to 94% in the 18-29 group, 85% to 93% in the 50-64 group, and 86% to 92% in the 30-49 group.

What makes Australia such a great place to live? For most Australians (over 7 in 10 or 72%), it’s our access to open spaces, beaches, parks etc. that makes our country so special, and significantly more of us are in agreement than last year (63%). Not surprising given Australia’s relative success in containing outbreaks of COVID-19, safety and security came in second (up one place from 2020) and with substantially more people in agreement compared to last year (68% vs. 58% in 2020). Coming in third was our general lifestyle and friendliness of our people (62% vs. 61% in 2020), down one place from last year. The next biggest drivers of liveability are: our clean environment and unique natural wonders (57%); access to affordable and quality healthcare (56%); and our democratic system of government (55%). All these factors added to the liveability of noticeably Australians than in 2020. Despite the many challenges facing the local economy during 2020, almost 1 in 2 (45%) Australians cited our relatively stable and strong economy as a positive factor - up more than any other factor relative to last year (30%). This result likely reflected a much more robust economic environment than many had feared at the start of the COVID pandemic.

Australians were more positive about nearly all liveability factors in 2021. Only two on balance were net detractors of liveability - quality, availability and physical condition of our public transport networks and our entertainment options (restaurants, cinema, theatre, sports, etc.) where perceptions may have suffered from periods of lock down and social distancing.

Will Australia still be great 10 years from now? While concerns remain, there has been a significant mindset shift, with Australians also far more optimistic about the future liveability of our country. When asked if Australia would still be a great place to live in 10 years’ time, almost 7 in 10 (68%) said yes, up from only 55% just 12 months ago. Fewer than 1 in 10 (9%) people believe Australia won’t be a great place to live in 2030 - half the number of a year ago (18%), with a further 1 in 4 (23%) unsure (down slightly from 27% in 2020).

South Australians are the most optimistic about the future, with 3 in 4 (75%) indicating Australia will still be a great place to live (64% in 2020). Around 7 in 10 people in TAS (71%), WA (70%), QLD (69%) and VIC (68%) also expect the status quo to be maintained, with a significant increase in the number of optimists - particularly in TAS (20% higher) and VIC (17% higher). Australians living in the ACT (66%) and NSW (64%) are also more positive than last year but scored below the national average. In the NT however, the number of positive responses fell to just 55% (75% in 2020) - by far the lowest in the country.

Men (70%) remain somewhat more positive about our future liveability than women (65%), but both reported significantly higher outcomes than last year. By age, around 7 in 10 (69%), Australians under the age of 49 see a rosy future, slightly more than in the 50-64 (65%) and over 65 (66%) age groups. While more people in all age groups were positive about the future than 12 months ago, this was most apparent in the 50-64 group (where the number of positive responses was up 19%).

Income did not overly influence perceptions of life in Australia. That said, future liveability was viewed positively by noticeably more people in the highest income group earning over \$100,000 p.a. (72%) than in the lowest group earning less than \$35,000 p.a. (64%) - although this was also up from 47% last year.

What might change over the next decade? To understand what's driving perceptions of the future, we asked Australians if liveability factors would improve or deteriorate in the next 10 years. On the positive side, areas where optimists outweighed pessimists were: entertainment (+12%); economy (+11%); public transport (10%); telecommunications (+10%); inclusion (+8%); roads (+8%); education (+6%); healthcare (+4%); and people & lifestyle (+3%). The number of pessimists however out-weigh optimists for: cost of living (-19%); taxes (-13%); travel time (-12%); housing (-8%); open spaces (-7%); immigration (-6%); safety (-6%); and law & order (-3%). Australians expect all other aspects of liveability to stay broadly unchanged.

While some things are expected to get worse, Australians are more confident about almost all aspects of future liveability than last year. For example, a net +11% of Australians expect the economy to improve in the next 10 years (compared to a net -14% expected it to deteriorate last year - a change of +25%). Other aspects of liveability that showed a big improvement relative to last year include: jobs (+22%); environment (+21%); social welfare (+17%); healthcare (+16%); democracy (+14%); personal safety (+13%); aged care (+13%); income & wealth (+12%); living costs (+12%); roads (+10%); and utilities (+10%). A marked turnaround in sentiment from last year when only 5 of the 26 liveability factors rated more positively.

Does Australia have a clear & shared vision where we are headed in the next 10 years? Only 3 in 10 (30%) Australians think so, but a significant improvement on last year (18%). The importance of having a shared vision for our future cannot be underestimated. A compelling vision enables its people to buy into and anticipate the future with confidence. It can inspire individuals and organisations to commit to the future and give it their best.

Opinions vary according to where we live. Consensus was highest in the ACT (34%), which also jumped from last place in 2020 (12%), and in SA where the number of positive responses nearly doubled to 34% (18% in 2020). More people in all other states also said Australia had a shared vision for the future. TAS was the exception, with the number of positive responses falling to 20% (24% in 2020) - the lowest in the country.

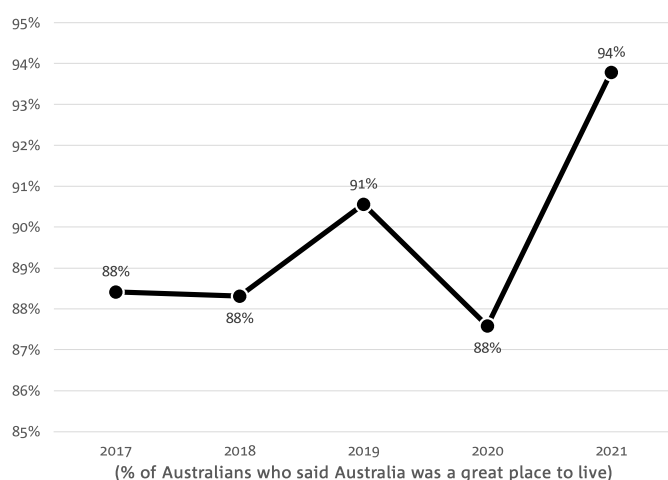
Young people aged 18-29 are still the most positive, with almost 4 in 10 (38%) believing we have a vision (23% last year). Conversely, only 23% of Australians in the 50-64 age group think we do, although this was up from just 14%. More men (35%) also believe we have a clear vision for the future than women (25%).

Do Australia believe they have a voice in shaping where our nation is headed? While only 1 in 3 (33%) of us believe we do, this is up from 25% in 2020. That said, almost 1 in 2 (49%) Australians do not think they have a voice (down from 60%). Across the country, NSW (35%), VIC (35%) and SA (34%) stood out as the most positive, replacing TAS (27%) who led the way last year (37%). The number of Australians living in the ACT (29%), WA (29%) and WA (31%) who indicated they did have a voice was below the national average.

Australians in the youngest age group (18-29) were the most positive about having a voice in shaping our future (41%). This stepped down to 34% in the 30-49 group, 31% in the over 65 group and just 26% in the 50-64 group. More Australians in all age groups however believed they were being heard than last year. More men (38%) felt they had a voice than women (29%). Australians in the lowest income group (31%) were the least positive about being heard.

More Australians than ever agree it's a great place to live!...

AUSTRALIA: A GREAT PLACE TO LIVE NOW



NAB Economics has been conducting its annual pulse check survey of “Life in the Lucky Country” since 2017. Despite the challenges our nation has faced over the past year - from widespread bushfires to COVID - more people than ever said Australia is a great place to live.

In the 2021 survey, the number of positive responses reached 94% and represented a significant improvement from 2020 (88%).

Australians were more positive in all states, led by the NT (100%) but from a smaller sample size, and QLD (95%). SA was lowest at a very respectable 92%.

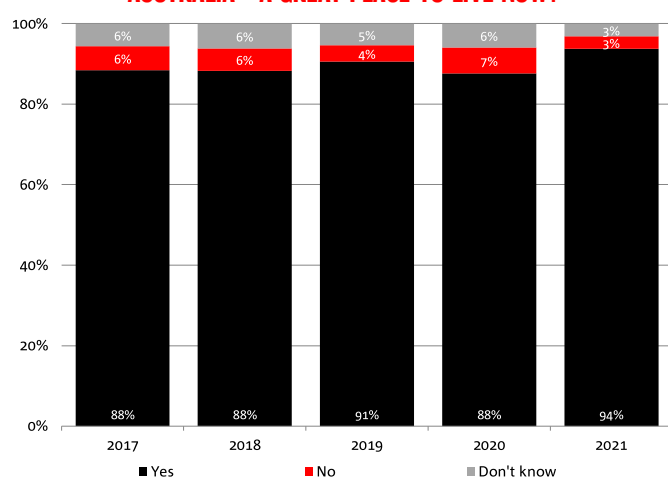
While optimism was higher in all states, it lifted significantly in the NT (84% in 2020 to 100% in 2021), the ACT (78% in 2020 to 93% in 2021) and TAS (82% in 2020 to 93% in 2021).

Australians in the over 65 age group (97%) were again the most positive about living in Australia, but optimism also improved sharply in all other groups - from 86% to 94% in the 18-29 group, 85% to 93% in the 50-64 group, and 86% to 92% in the 30-49 group.

There was again little difference in perceptions between women (94%) and men (93%), with both also experiencing a noticeable uplift in sentiment from last year's survey.

Income did not appear to play a role influencing perceptions of liveability in Australia. Indeed, the number of Australians who said it was a great place to live ranged from just 93% in the lowest income group (earning less than \$35,000 p.a.) to 96% in the \$75-100,000 p.a. income group.

AUSTRALIA - A GREAT PLACE TO LIVE NOW?



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%
2021	94%	93%	93%	94%	95%	92%	100%	94%	93%	94%	92%	n.a.	93%	97%	93%	94%

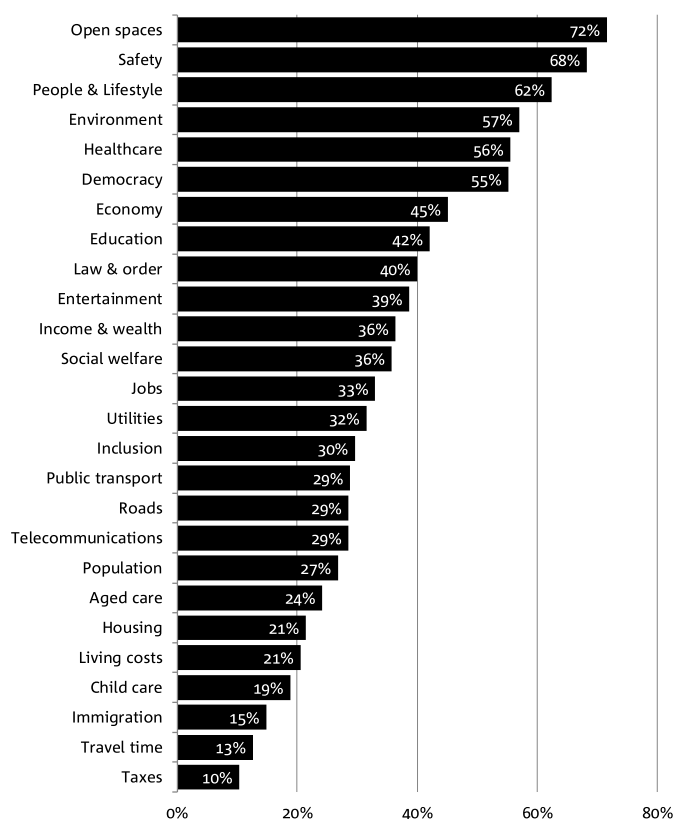
*Data prior from 2017-19 refers to NSW/ACT.

#Data from 2017-19 refers to SA/NT

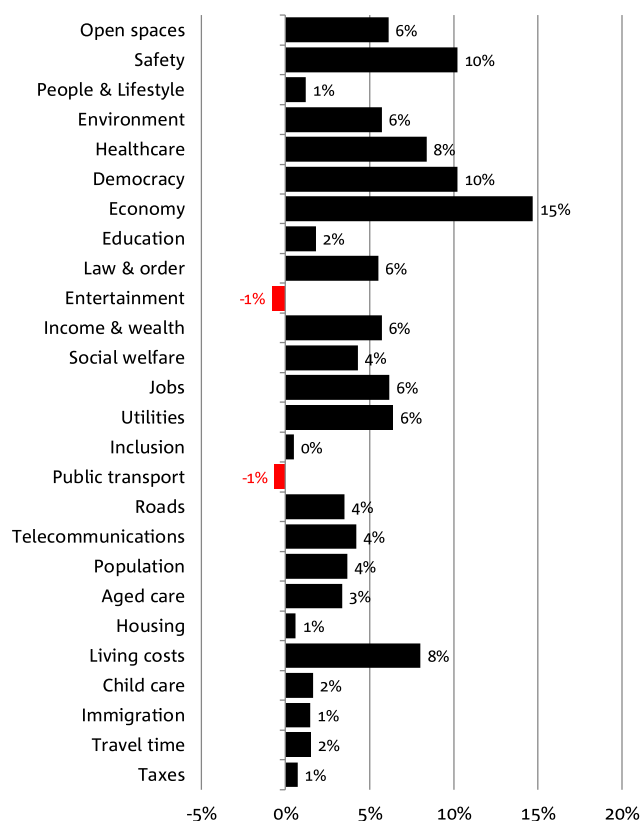
+ Limited sample size

We're more positive about nearly all drivers of liveability ...

WHAT MAKES AUSTRALIA A GREAT PLACE TO LIVE 2021



HOW HAVE PERCEPTIONS OF AUSTRALIA CHANGED SINCE LAST YEAR?



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

The ranking of key drivers was broadly unchanged in 2021. For most Australians (over 7 in 10 or 72%), it's still our access to open spaces, beaches, parks etc. that make it special - and it added to liveability according to more people than in 2020 (63%). Our relative safety or security arising from crime, terrorism etc. (68%), which also added to liveability according to significantly more Australians than in 2020 (58%), replaced general lifestyle and friendliness of our people (62%) in second place.

The next biggest attractions were our clean environment and unique natural wonders (57%), access to affordable and quality healthcare (56%) and our democratic system of government (55%), with all these factors adding to liveability according to noticeably Australians than in the 2020 survey.

Despite the many challenges facing the local economy during 2020 as a result of COVID, almost 1 in 2 (45%) Australians cited our relatively stable and strong economy as a positive factor. This also resonated more strongly with more Australians relative to last year (30%) than any other factor - likely reflecting a much more robust bounce from the economic downturn than many had feared at the start of the COVID pandemic.

Our levels of taxes (10%), lack of congestion and travel times to get to work (13%), level of migrant intake or immigration (15%) and access to affordable and quality childcare (19%) were identified as positive drivers of liveability in our country by the least number of Australians.

The chart above on the right shows a greater sense of optimism for nearly all liveability factors in 2021. Only two resonated positively with fewer Australians (and only marginally so) - quality, availability and physical condition of our public transport networks (down 1%) and our entertainment options (restaurants, cinema, theatre, sports, etc. (down 1%) where perceptions may have suffered from periods of lock down and social distancing.

Australians were more upbeat about all other things that make our nation a great place to live compared to last year, particularly the economy (+15%), safety (+10%), democracy (+10%), living costs (+8%), healthcare (+8%), open spaces (+6%), environment (+6%), law & order (+6%), income & wealth (+6%), jobs (+6%) and utilities (+6%).

See appendix 1 for top 15 drivers in each state.

And we're more optimistic about the future!...

Perhaps having now experienced an unprecedented shock to how they live work and play as a result of the COVID pandemic, Australians are far more optimistic about future liveability in their country than they were in 2020. When asked if Australia would still be a great place to live in 10 years' time, almost 7 in 10 (68%) said yes, up from 55% in 2020. Less than 1 in 10 (9%) people believe Australia won't be a great place to live, half the number in 2020 (18%), and 1 in 4 (23%) remain unsure (down slightly from 27% in 2020).

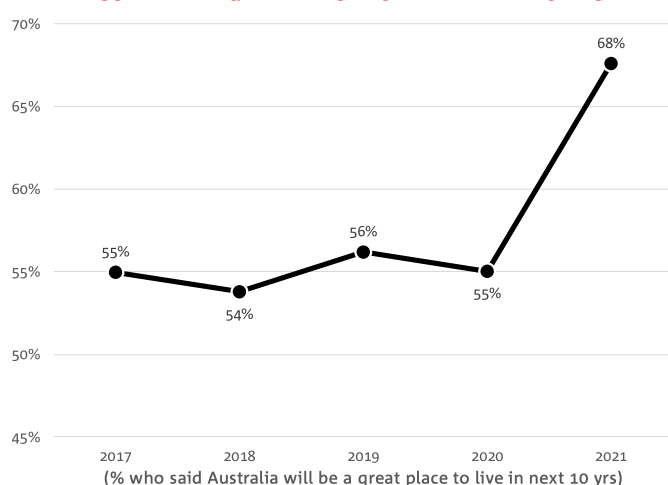
South Australians are the most optimistic about the future, with 3 in 4 (75%) indicating Australia will still be a great place to live (64% in 2020). Around 7 in 10 people in TAS (71%), WA (70%), QLD (69%) and VIC (68%) also expect the status quo to be maintained, with a significant increase in the number of optimists - particularly in TAS (20% higher) and VIC (17% higher). Australians living in the ACT (66%) and NSW (64%) are also more positive than last year but scored below the national average. In the NT however the number of positive responses fell to just 55% (75% in 2020) - by far the lowest in the country (but from a smaller sample size).

Men (70%) remain somewhat more positive about future liveability in Australia than women (65%), but both reported significantly higher outcomes than in the 2020 survey.

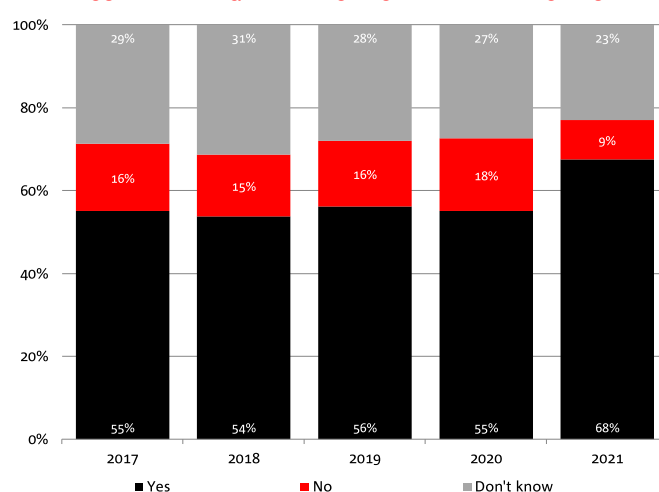
By age, around 7 in 10 (69%), Australians under the age of 49 see a rosy future, slightly more than in the 50-64 (65%) and over 65 (66%) age groups. While more people in all age groups were positive about the future than in 2020, this was most apparent in the 50-64 group (where the number of positive responses was up 19%).

Income did not influence perceptions of living in Australia now. But future liveability was viewed positively by noticeably more people in the highest income group earning over \$100,000 p.a. (72%) than in the lowest group earning less than \$35,000 p.a. (64%) - although this was also up from 47% in the 2020 survey.

AUSTRALIA: A GREAT PLACE TO LIVE IN NEXT 10 YRS



AUSTRALIA - A GREAT PLACE TO LIVE IN NEXT 10 YRS



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%
2021	68%	64%	66%	68%	69%	75%	55%	70%	71%	69%	69%	n.a.	65%	66%	70%	65%

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

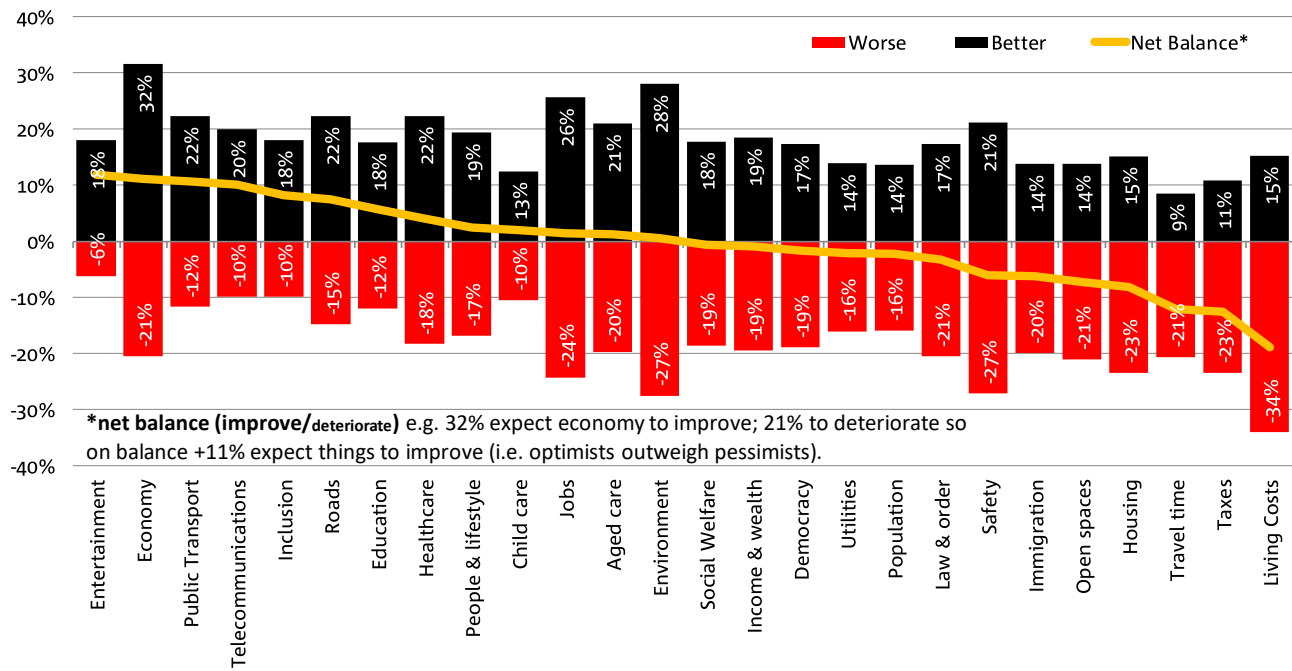
#Data from 2017-19 refers to SA/NT

+ Limited sample size

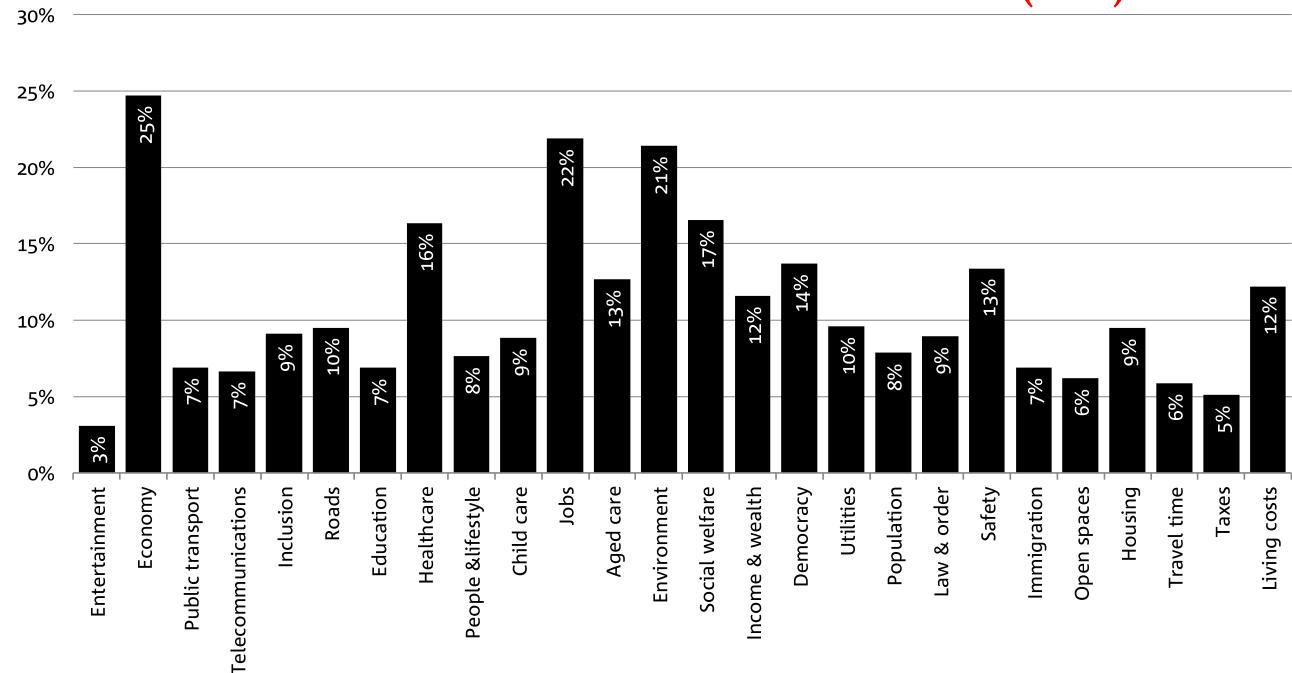
Australians are still split about what will improve and get worse...

To understand what’s driving perceptions of the future, we asked Australians if these liveability factors would improve or deteriorate in the next 10 years. The first chart below summarises the results. On the positive side, areas where optimists outweighed pessimists were entertainment (+12%), economy (+11%), public transport (10%), telecommunications (+10%), inclusion (+8%), roads (+8%), education (+6%), healthcare (+4%) and people & lifestyle (+3%). The number of pessimists however out-weigh optimists over cost of living (-19%), taxes (-13%), travel time (-12%), housing (-8%), open spaces (-7%), immigration (-6%), safety (-6%) and law & order (-3%). Australians expect all other aspects of liveability to stay broadly unchanged - i.e. the number of optimists and pessimists are basically similar.

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



HOW PERCEPTIONS HAVE CHANGED SINCE LAST YEAR (NET*)



While some things are expected to get worse, the chart above on the bottom also suggests that Australians are more confident about all aspects of future liveability than they were last year. For example, a net +11% of Australians expect the economy to improve in the next 10 years, but a net -14% expected it to deteriorate last year - a change of +25%. Other aspects of liveability that showed a big improvement relative to last year included jobs (+22%), environment (+21%), social welfare (+17%), healthcare (+16%), democracy (+14%), personal safety (+13%), aged care (+13%), income & wealth (+12%), living costs (+12%), roads (+10%) and utilities (+10%).

Moreover, all aspects of future liveability were rated more positively than last year - a marked turnaround in sentiment from the 2020 survey when only 5 of the 26 aspects rated more positively.

See appendix 2 for state details.

Relatively few people still believe Australia has a clear and shared vision for the future or have a voice in helping shape that future...

We live in a world of constant change and the influences shaping our world are complex, uncertain and as 2020 showed can be extremely volatile. Against this backdrop, the importance of having a shared vision for our future cannot be underestimated. A compelling vision enables its people to buy into and anticipate the future with confidence. It can inspire individuals and organisations to commit to the future and give it their best. But do Australians believe we have cleared shared vision for where we are headed as a nation in 10 years' time?

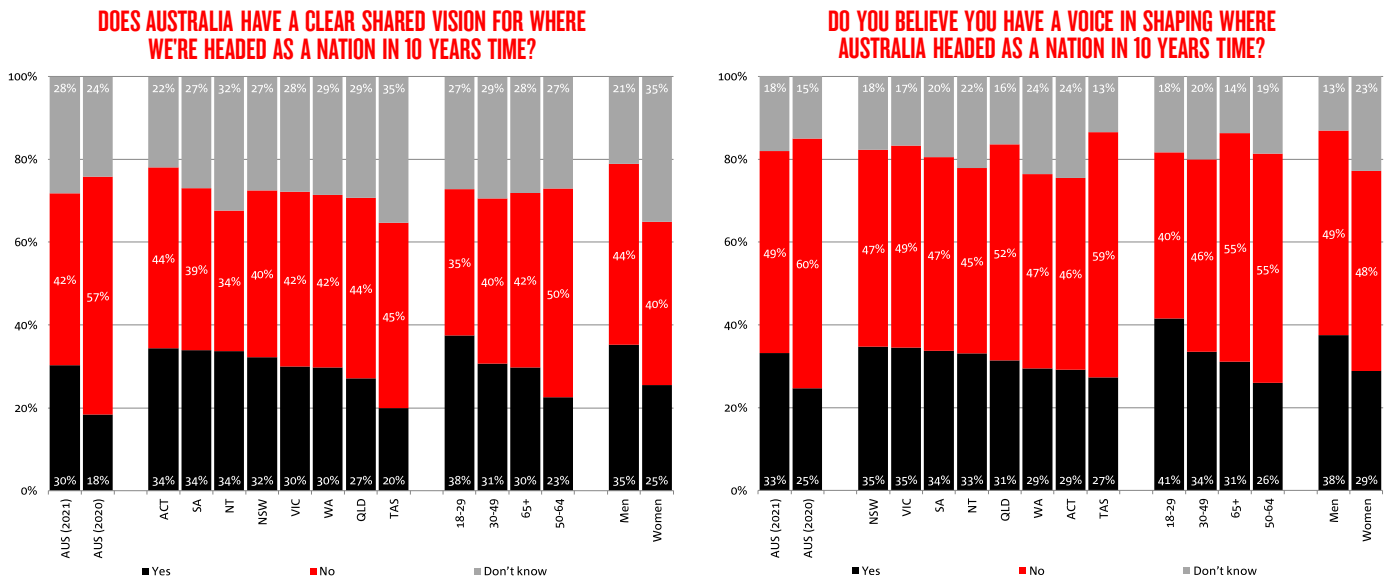
Only 3 in 10 (30%) Australians think so. While this is a relatively disappointing result, it does represent a significant improvement on the number last year who thought Australian had a clear shared vision (18%) for the next 10 years.

But this number varies according to where we live. It was highest in the ACT (34%), which also jumped from last place in 2020 (12%), and in SA where the number of positive responses nearly doubled to 34% (18% in 2020). More people in all other states also said Australia had a shared vision for the future. TAS was the exception, with the number of positive responses falling to 20% (24% in 2020) - the lowest in the country.

Young people aged 18-29 are still the most positive, with almost 4 in 10 (38%) believing we have a vision (23% in 2020). Conversely, only 23% of Australians in the 50-64 age group think we do, although this was up from just 14% in 2020.

More men (35%) also believe we have a clear vision for the future than women (25%).

There did not appear to be a strong correlation by income. While the number of Australians who believe we have a shared vision for the future was smallest in the lowest income group (27%), it was highest in the \$50-75,000 p.a. income group (37%).



One in 2 (49%) Australians also don't think they have a voice in shaping where our nation is headed in 10 years' time (but down from 60% in the 2020 survey). Encouragingly, 1 in 3 (33%) Australians overall now believe they do (up from 25% in 2020).

Across the country, NSW (35%), VIC (35%) and SA (34%) stood out as the most positive, replacing TAS (27%) who led the way last year (37%). The number of Australians living in the ACT (29%), WA (29%) and WA (31%) who indicated they did have a voice was below the national average.

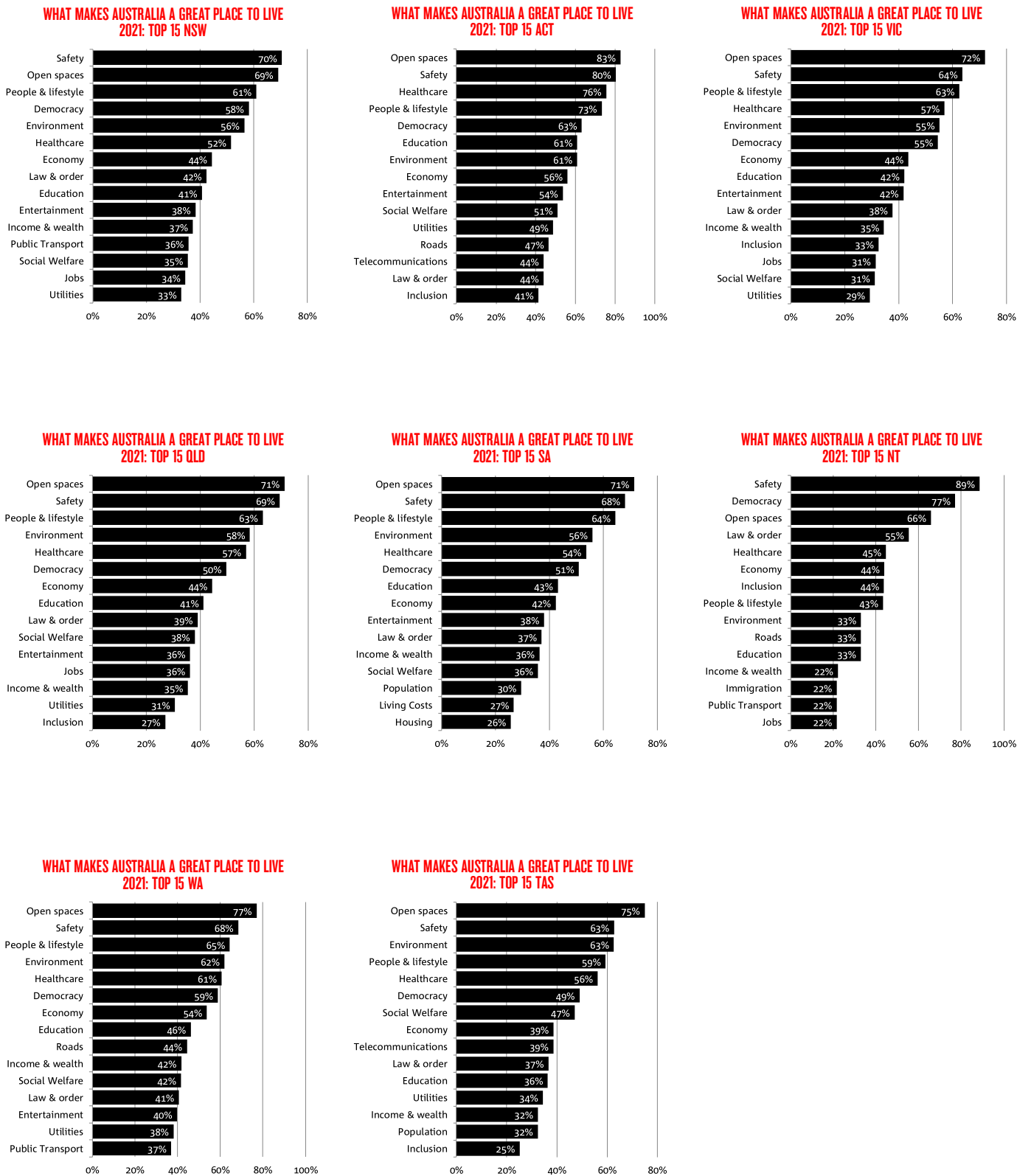
Australians in the youngest age group (18-29) were the most positive about having a voice in shaping our future (41%). This stepped down to 34% in the 30-49 group, 31% in the over 65 group and just 26% in the 50-64 group. More Australians in all age groups however believed they were being heard than in the 2020 survey.

More men (38%) felt they had a voice than women (29%).

Australians in the lowest income group (31%) were the least positive about being heard, and those earning between \$50-100,000 p.a. the most positive (37%).

APPENDIX 1

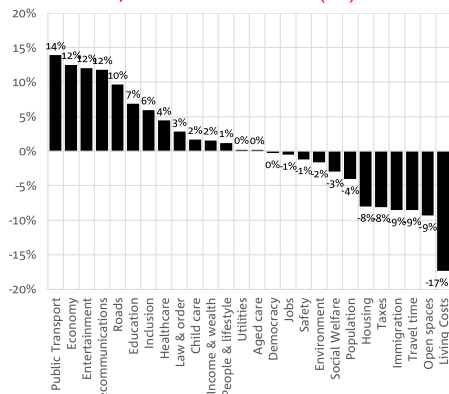
WHAT MAKES AUSTRALIA A GREAT PLACE TO LIVE 2021: TOP 10 BY STATE/TERRITORY



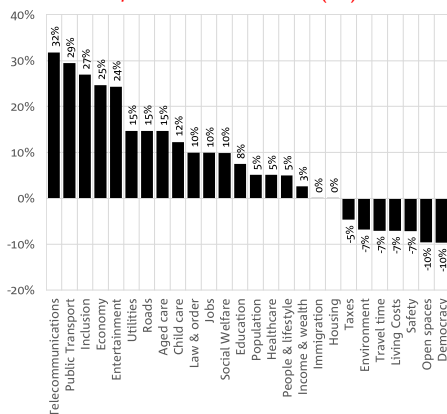
APPENDIX 2

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

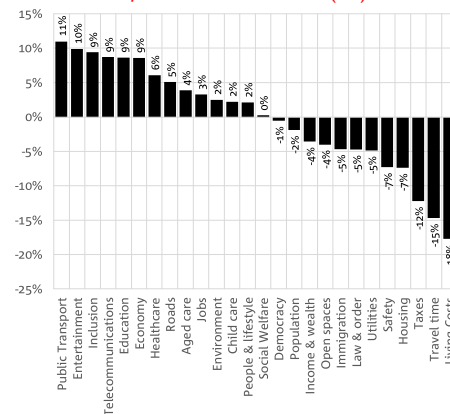
IMPROVE/DETERIORATE IN NEXT 10 YRS (NET): NSW



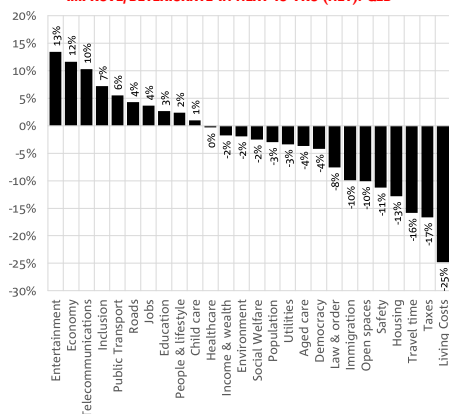
IMPROVE/DETERIORATE IN NEXT 10 YRS (NET): ACT



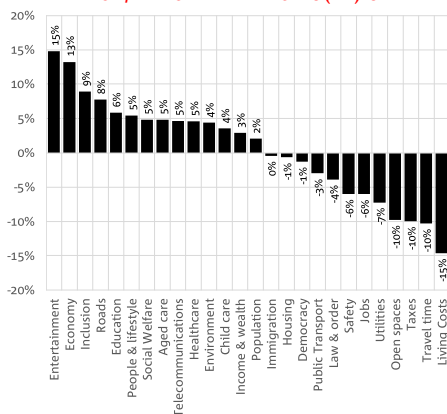
IMPROVE/DETERIORATE IN NEXT 10 YRS (NET): VIC



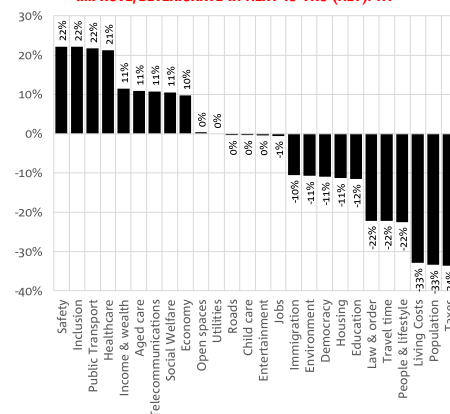
IMPROVE/DETERIORATE IN NEXT 10 YRS (NET): QLD



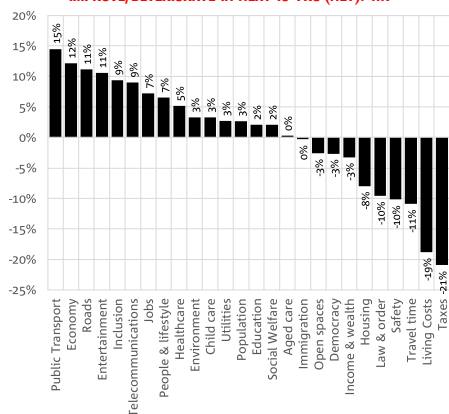
IMPROVE/DETERIORATE IN NEXT 10 YRS (NET): SA



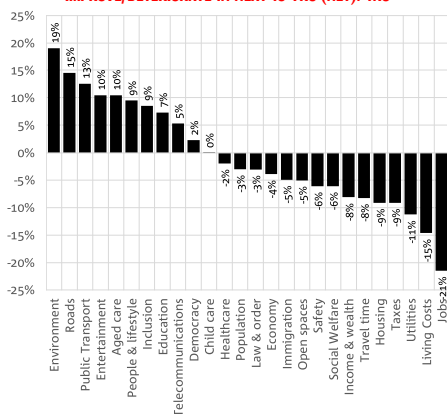
IMPROVE/DETERIORATE IN NEXT 10 YRS (NET): NT



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



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



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