



# Australia's Global Performance: Falling Behind

Assessing our nation's wellbeing and progress, after seven years of Liberal Government, referencing reputable data, global rankings and research.

# February 2021

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This Report is collated by Julian Hill MP, Federal Labor Member for Bruce. It brings together publicly available, reputable data and global rankings of key measures of Australia's progress and wellbeing, drawing heavily on research by the Commonwealth Parliamentary Library.

Julian currently serves as the Deputy Chair of the Australian Parliament's Joint Committee on Public Accounts and Audit. Julian has an abiding interest in evidence based policy and public debate, having served as a senior Victorian public servant and been professionally acknowledged as a Fellow of the Institute of Public Administration Australia (Vic).

Data sources for this audit and review of Australia's performance under the Morrison Government are accurate as at the time research was undertaken.

# Contents

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Introduction: About this Report	1
Executive Summary	2
Australia's Economic Outlook	3
Wage Growth	4
Economic Productivity	5
Household Debt in Australia	6
Housing Affordability	7
Inequality	8
Trade Crisis	10
Economic Complexity	11
Small and Medium Enterprise Performance	12
Ease of doing Business in Australia	12
Recycling Rates	12
Climate Change and Jobs	13
Australia's Climate Performance	14
The Environment	15
Medicare and Healthcare System	16
Arts, Culture and Creative Industries	17
Education	18
Gender Equality	19
Indigenous Australia	19
NBN and Broadband Internet	20
Investment in Australia	21
Foreign Investment	22
Australia's Economic Recovery Post-Covid-19	22
International Development	23
Population	23
Public Distrust in Government and Political Leadership	24
Conclusion	25

# AFTER COVID-19



## Introduction: About this Report

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As our nation enters 2021, the immediate focus is on the health and economic responses to COVID-19.

Yet as Australia hurtles toward \$1 trillion of Liberal debt and a possible federal election this year, Australians have a right to question how well they are doing under Scott Morrison.

Facts still matter. And informed public debate must be grounded in facts and an honest acknowledgement of where Australia is doing well, and where we have been failing.

Unfortunately for Scott Morrison, even \$1 billion of taxpayer funded advertising is not enough to change the fact that Australia's economic performance was already failing badly before COVID-19.

On numerous critical measures Australia has been falling behind the rest of the world under this Liberal Government.

Despite the eye-watering sums of taxpayer money being spent and borrowed, more and more Australians are being left behind. Yet, Scott Morrison wants Australia to just 'snap-back' to the way things were before the pandemic.

Sadly for a nation with a proud legacy of public policy reform, Scott Morrison's recent Budget was visionless – proposing not one single major structural or long-term reform.

**Australia cannot afford to continue to waste this recovery. We can do much, much better.**

**Australians deserve a Government that acts in their interests.**

# Executive Summary

When Scott Morrison won the 2019 election, he opened his victory speech by rhetorically asking:

“How good is Australia!?”

Since then, the Prime Minister has developed a truly inane habit of asking that same question over and over and over again. Expecting that no one will ever bother to answer.

But, it is a question that can be answered.

And, unfortunately for the PM, the answer is: “not as good anymore – going backwards, and being left behind”.

Australia is less productive, more unequal, more corrupt, less happy, more indebted, less affluent, and less trusting of public institutions than when the Liberal National Party government was elected in 2013.

Australia was once a world leader in so many areas – economic growth, reform, democratic innovation, industrial relations, fairness, healthcare and education.

While like any country we have had our faults and historic failures, successive governments and communities were committed to working together to make things better for all Australians.

But now, after seven years of this Liberal government, Australia is no longer a world leader but increasingly a world laggard.

**Australia is going backwards under the Liberals, and falling behind much of the rest of the world. Australians are being left behind in areas critical to daily life and wellbeing.**

- Real wages in Australia were **0.7% lower** in 2019 compared to 2013, and Australia sat in **third last** place out of 35 OECD countries for wage growth.
- Australia ranked **5th last** in the OECD in terms of its productivity rates. In fact, Australian productivity was **negative** at -0.3%.
- Household debt as a share of GDP is 119.4% – now the 2nd highest rate of 43 countries.
- Australia ranks behind Uganda at 87th out of 133 countries globally for economic complexity.
- Australia has the **third most unaffordable housing market** and is the **11th most unequal** OECD nation.
- Australia’s rate of greenhouse gas emissions per capita has been the highest in the world.
- Australian children’s educational outcomes have slipped in both national and international terms.
- Broadband speeds are now so slow that Australia **ranks 61st** in the world.
- International corruption rankings show Australia is becoming **more corrupt**, and Australians are increasingly distrustful of government.
- Australia now ranks 8th out of 11 high-income countries for healthcare affordability.

A stack of gold coins is positioned in the upper center of the page. The background is a blurred financial chart with a red line graph. The chart has a horizontal axis with labels '01', '2010-11', and '2020-2'. Vertical dashed lines mark the periods '2003-04 to 2008-09', 'FORECASTS', and 'PROJECTIONS'.

## Australia's Economic Outlook

Since the Liberals were elected in 2013, Australia's key economic indicators - especially the ones which chart how well individuals and families are faring - show that Australia and Australians have been going backwards.

Even before the COVID-19 pandemic, Australian households were faced with increasing economic insecurity as a result of Scott Morrison's short sighted economic management.

Real wages have fallen, household debt has increased, housing affordability has worsened, and the prospect of home ownership has become simply unachievable for many.

Australia is now more unequal than it has been for decades, which has real and negative impacts on the way our economy functions.

Liberal and National politicians love to claim that they are good economic managers.

But, the facts simply don't support their claim, which is exposed by actual data as marketing spin.

# Wage Growth: What's in your pay cheque?



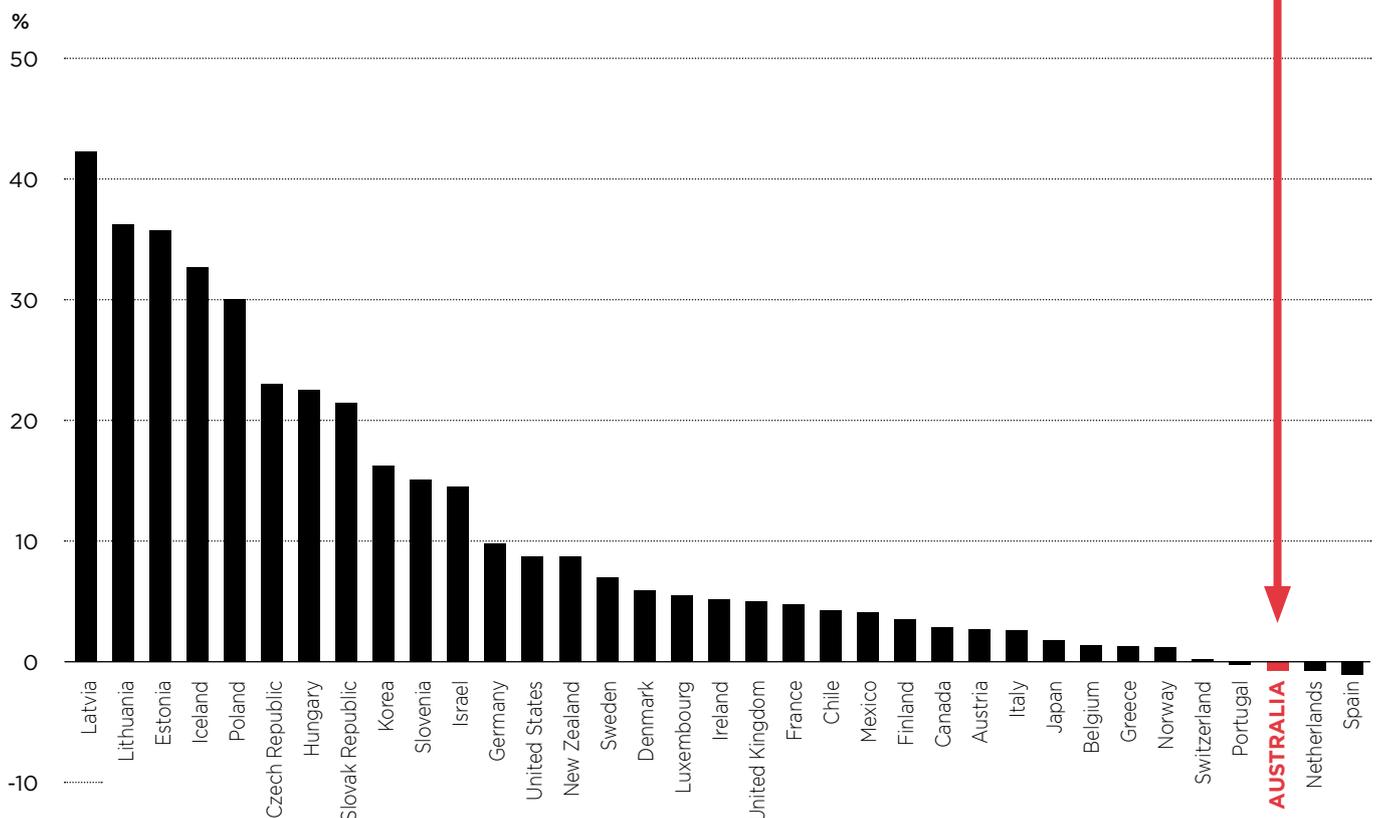
Real wages in Australia were **0.7% lower** in 2019 compared to 2013.



In 2019, Australia sat in **third last** place out of 35 OECD countries for wage growth.

Australia's record on real wages sits **well behind** that of comparable economies like Germany, Korea, Sweden, Denmark and the United States.

Percentage change in average annual **real wages** between 2013 to 2019



Source: OECDStats

# Economic Productivity

A nation's productivity performance is a fundamental factor in its growth, prosperity and ability to compete internationally.

Productivity is a measure of how efficiently a country uses the resources available to it.

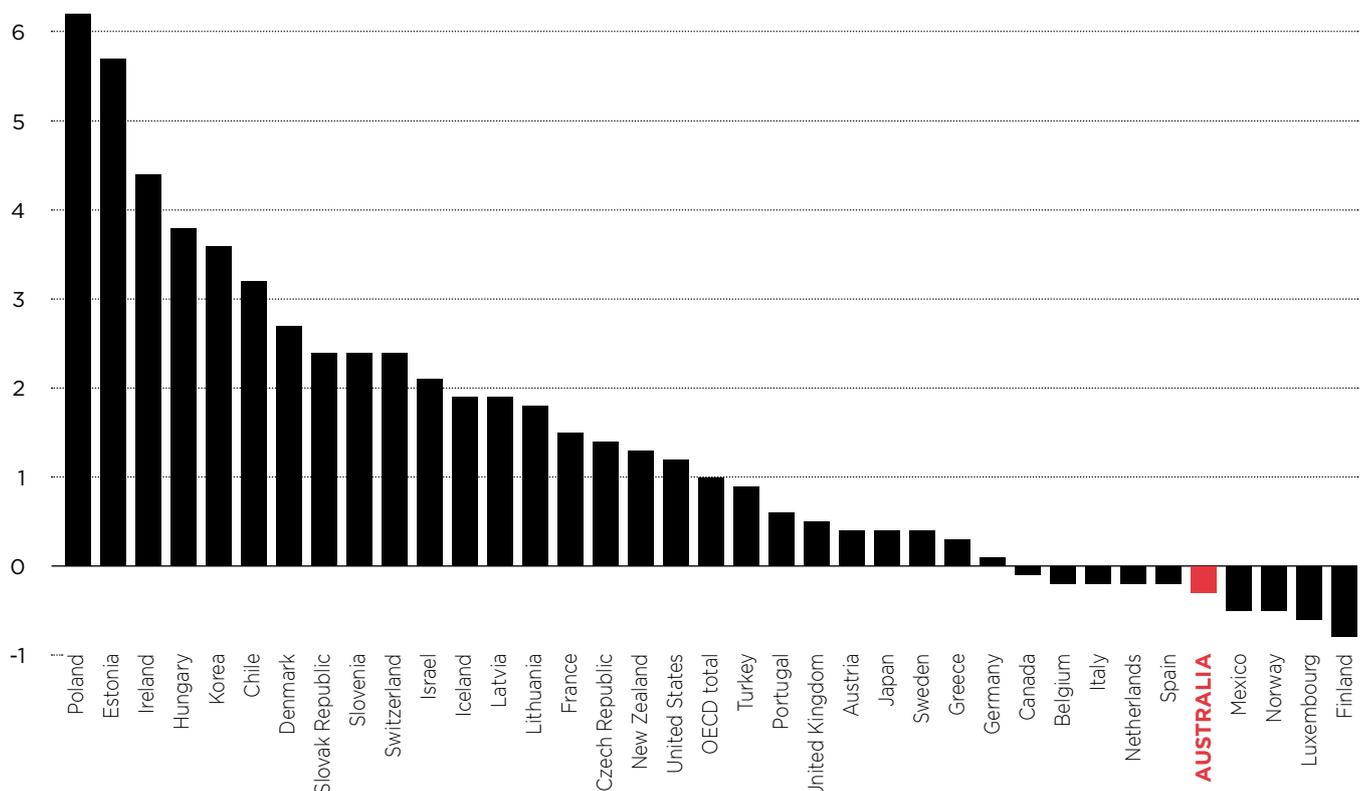
The Australian economy's performance has declined under LNP Government.

OECD data shows that Australia has become **less productive** and **less competitive** in a global economic context.

Over the last 8 years, Australia's productivity rate has been **steadily declining**.

- In 2013, Australian productivity was growing at 1.7% per year, ranking 10th highest among 34 OECD nations.
- Shockingly, in 2018 Australia ranked **5th last** in the OECD in terms of its productivity rates. In fact, Australian productivity was **negative** – at -0.3% – and well behind the OECD average.

## Labour productivity performance of OECD countries - 2018



Source: OECDStats

# Household Debt in Australia

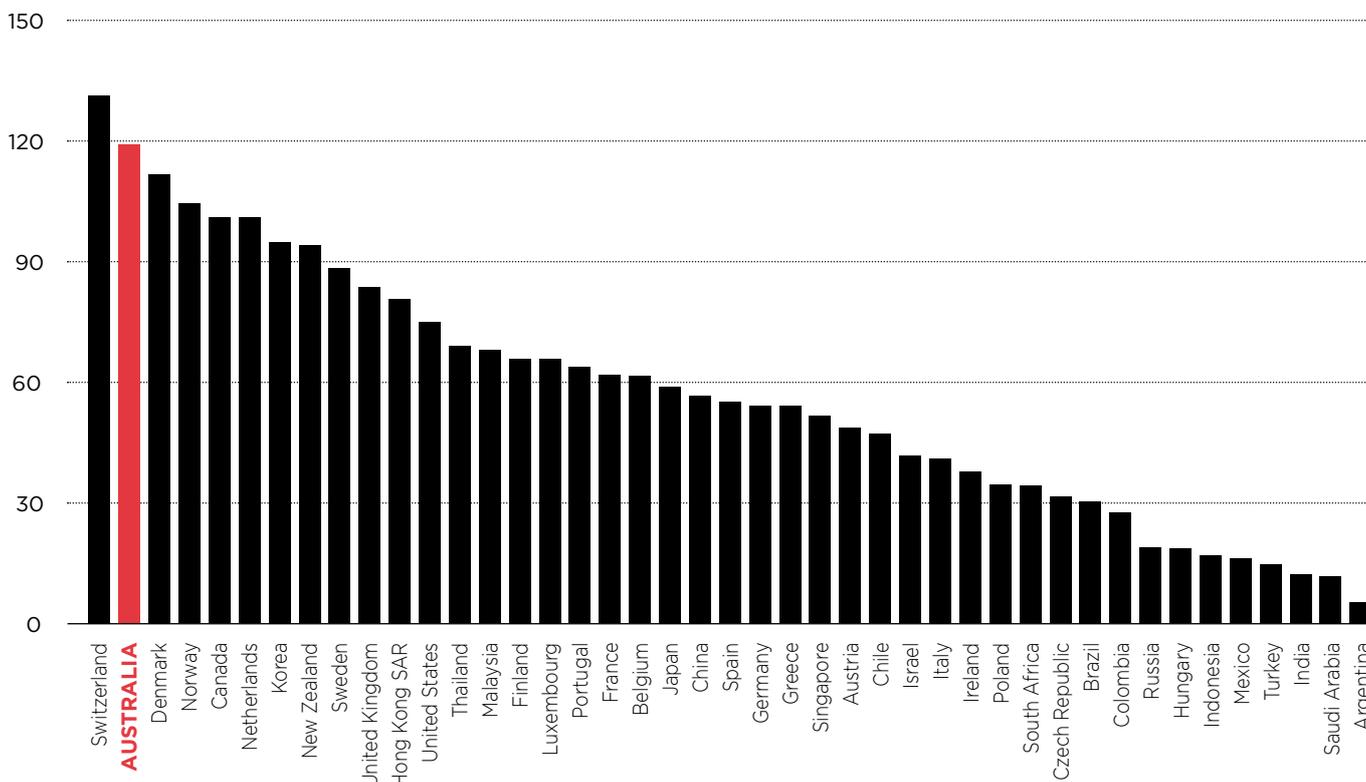
Very high rates of household debt can act as a brake on the rate of economic growth and pose serious risks to the economy. People spend greater proportions of their income on paying down debts rather than on spending that grows the economy.

- In Australia, household debt as a share of GDP sits at 119.4%.
- Behind Switzerland, this is the highest rate of the 43 countries in 2020 by the BIS.
- 37% of Australians admit to struggling to pay off personal debt.
- As of 2016, Australians owed \$2 trillion in private debt.

“This pandemic has dialled up the risk profile of the economy because the most indebted sector – households – no longer have the buffer provided by future interest rate cuts.”

RICHARD YETSENGA, ANZ CHIEF ECONOMIST

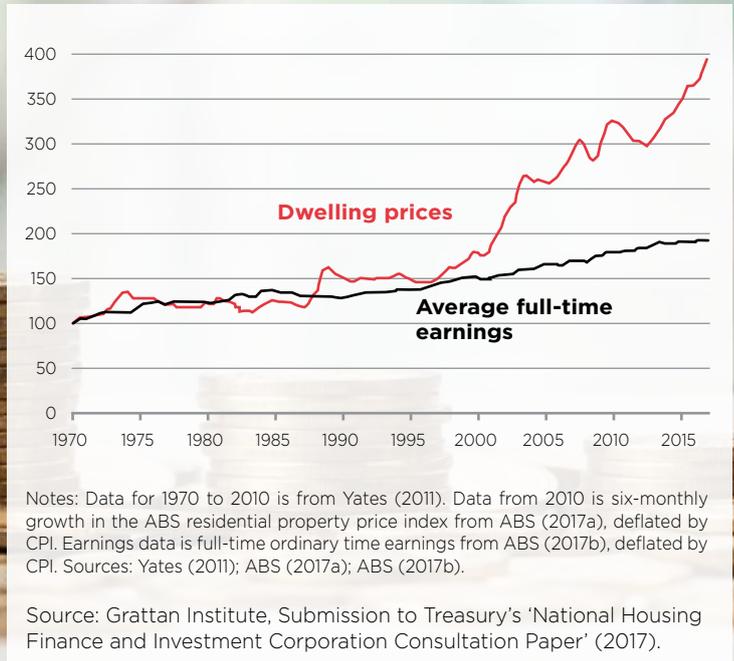
Household debt as a percentage of national GDP – 2020



Source: Bank of International Settlements (BIS)



# Housing Affordability



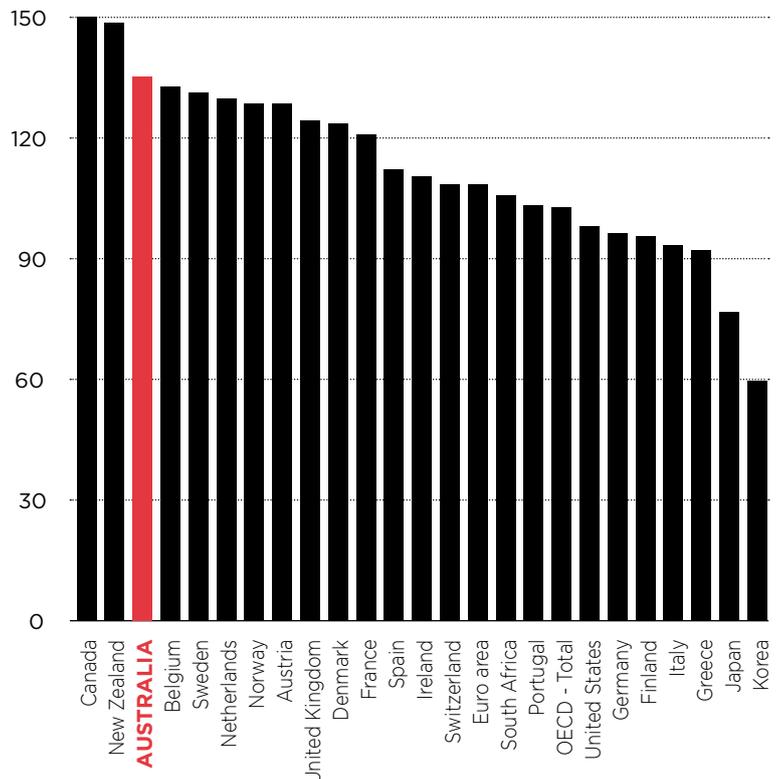
Because wage growth has not kept up with the cost of living, the goal of many Australians to own their own home is becoming increasingly unattainable.

Increasing inequality has allowed the well-off to drive up property prices, while Australians are facing declines in real wages and more insecure part-time employment; affordable housing is harder than ever to find.

This is a national disgrace.

According to the OECD, **Australia is the third most unaffordable housing market** within the OECD, because house prices have risen faster — much faster — than Australians' income.

## OECD Standardised housing price-income ratio



Source: OECDStats

# Inequality



Countries with lower rates of inequality have higher rates of economic growth. OECD analysis has found that the single biggest impact on growth is a widening gap between the lower-middle income and poor households as compared to the rest of society.

Nations that do not work to reduce inequality suffer in educational, health, social and economic outcomes. Under Scott Morrison:

- Australia has become the **11th most unequal** nation in the OECD.
- Australia ranks **behind** most of Western and Northern Europe, as well as Canada in its rate of inequality.
- Just 20% of people in Australia hold 64% of the nation's wealth.

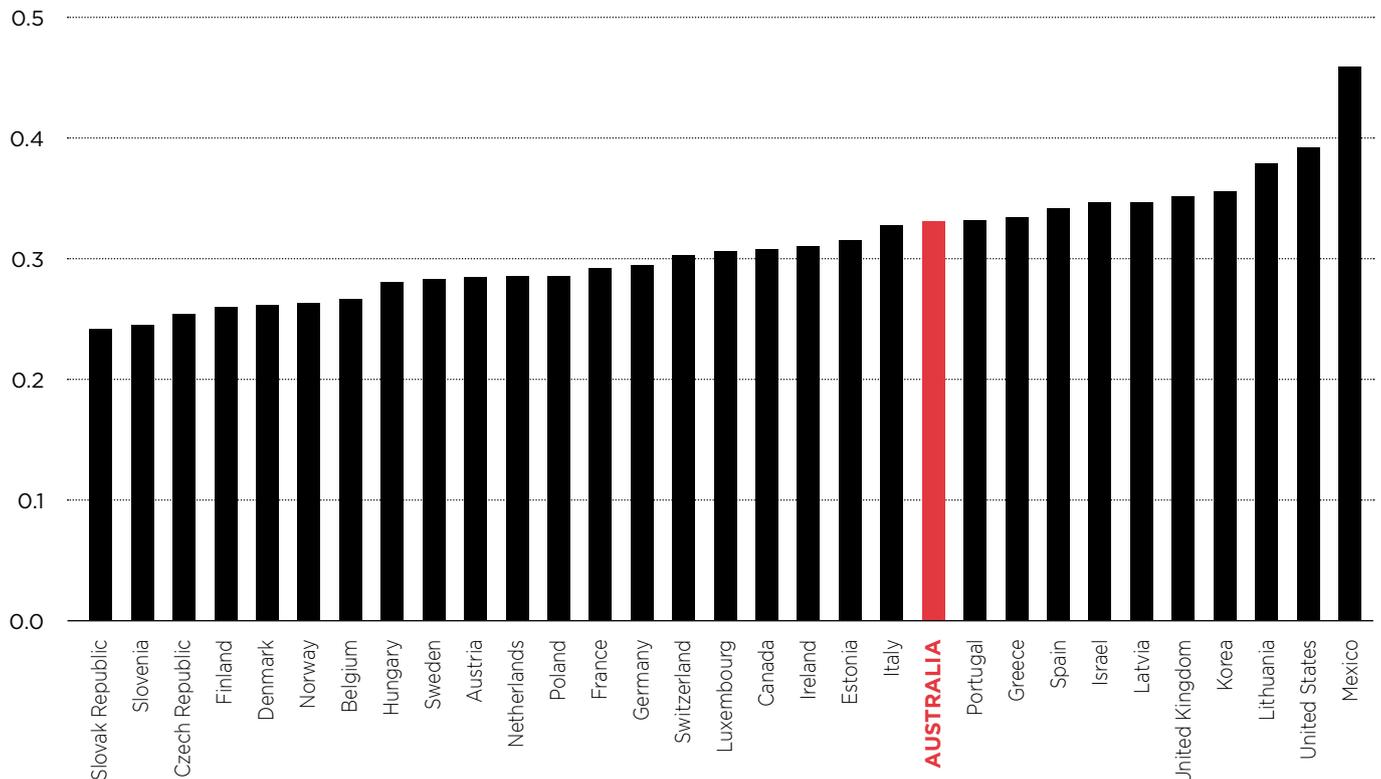
It appears the recession may have turbocharged the gap between rich and poor.

COVID has been great for Australian billionaires, whose combined worth was assessed to be 52.4% higher in December 2020, than at the same time in 2019.

Source: Bloomberg Billionaires Index

## Australia's rate of inequality in a global context

The Gini coefficient used in this graph is an internationally recognised indicator of how materially unequal a society is. The lower the number, the more equally distributed a country's wealth is. The higher — as Australia's is — the more unequal.



Source: OECDStats.

# Inequality

**Australia has become a more unequal society under the Liberals. This means wealth has become more concentrated in Australia – the poor are becoming poorer while the already wealthy are gaining more wealth.**

- The highest 10% of households by wealth owns almost half (46%) of all household wealth, followed by the “middle wealth group” (those in the 60th to 90th wealth percentile) with 38%, leaving the lowest 60% – who are younger and poorer – with just 16% of all wealth.
- Wealth in the form of shares and other financial investments and investment property is especially skewed towards the highest 10%, who hold two-thirds of these assets.

Source: UNSW Report 2020

“Even before the COVID recession, the highest 20% of households, with average after-tax incomes of \$4,166 per week, had almost six times the income

of the lowest 20%, with \$753 per week. When it comes to wealth, inequality is even more stark: the highest 20%, with average wealth of \$3.3 million, have 90 times the wealth of the lowest 20%, with just \$36,000 on average.

The latest evidence from other research indicates that the JobKeeper and JobSeeker payments actually reduced overall income inequality despite the recession.

As these payments are wound back, the harsh effects of high unemployment and low-income support payments for those affected, and reductions in paid working hours, will be revealed.”

Carla Treloar, Director of UNSW’s Social Policy Research, Centre speaking about the ‘Inequality in Australia 2020’ Report



Nearly 2 million working Australians in 2020 were forced to rip \$35.9 billion from their superannuation just to survive.

# Trade Crisis

Australia is facing a serious and growing trade crisis with China, our largest trading partner.

Yet the focus on this crisis, and the current short-term boost in iron-ore exports, obscures the reality that Australia's trade performance under the Liberals has been patchy at best, and on many key measures has stagnated or deteriorated.

## Export Diversification: Don't put all your eggs in one basket.

The IMF Export Diversification Index is a long-term study of export diversification and quality. **The latest data from 2014 ranked Australia's export diversity at 84th globally - a level last seen in Australia in the 1960s.**

Scott Morrison and the Liberals have wasted years talking about export diversification and making announcements. Yet by the eighth year of this Government, Australian exports have actually become increasingly concentrated geographically.

Trade with China was about 26% of total Australian exports in 2012-13 and reached a record high of just over 35% in 2019-20.

Source: DFAT

Our exporters need a Government that does more than simply announce more and more free trade agreements, and blindly hope that this leads to an increase in trade.



True trade diversification takes years to achieve, and needs real commitment. But this Government has failed to do the hard work to open up new markets.

The most glaring example of Scott Morrison's failure in trade is Australia's trade relationship with India. India has rightly been identified as a major trade opportunity. India has the potential to balance our increasingly dependent trade relationship with China.

In 2018 Scott Morrison announced an Indian Economic Strategy to transform Australia's trade and economic relationship with India. Yet nearly three years later, the Morrison Government has only implemented one of 20 priority recommendations.

**In the past year alone, according to the latest DFAT data, our two-way trade with India is down 13.6%, and exports have fallen 18.4%. India's share of Australian merchandise exports has fallen by more than 30 per cent.**

From 2009-10 to 2019-20, Australia's two-way trade with India actually decreased in real terms when inflation is taken into account. As a proportion of Australia's GDP, our trade with India declined from 1.7% of GDP in 2009-10 to 1.3% of GDP in 2019-20.

**Australia's trade relationship with India is still too narrow, brittle and immature.** Over 80% of our trade with India is dominated by volatile and vulnerable coal and education exports.

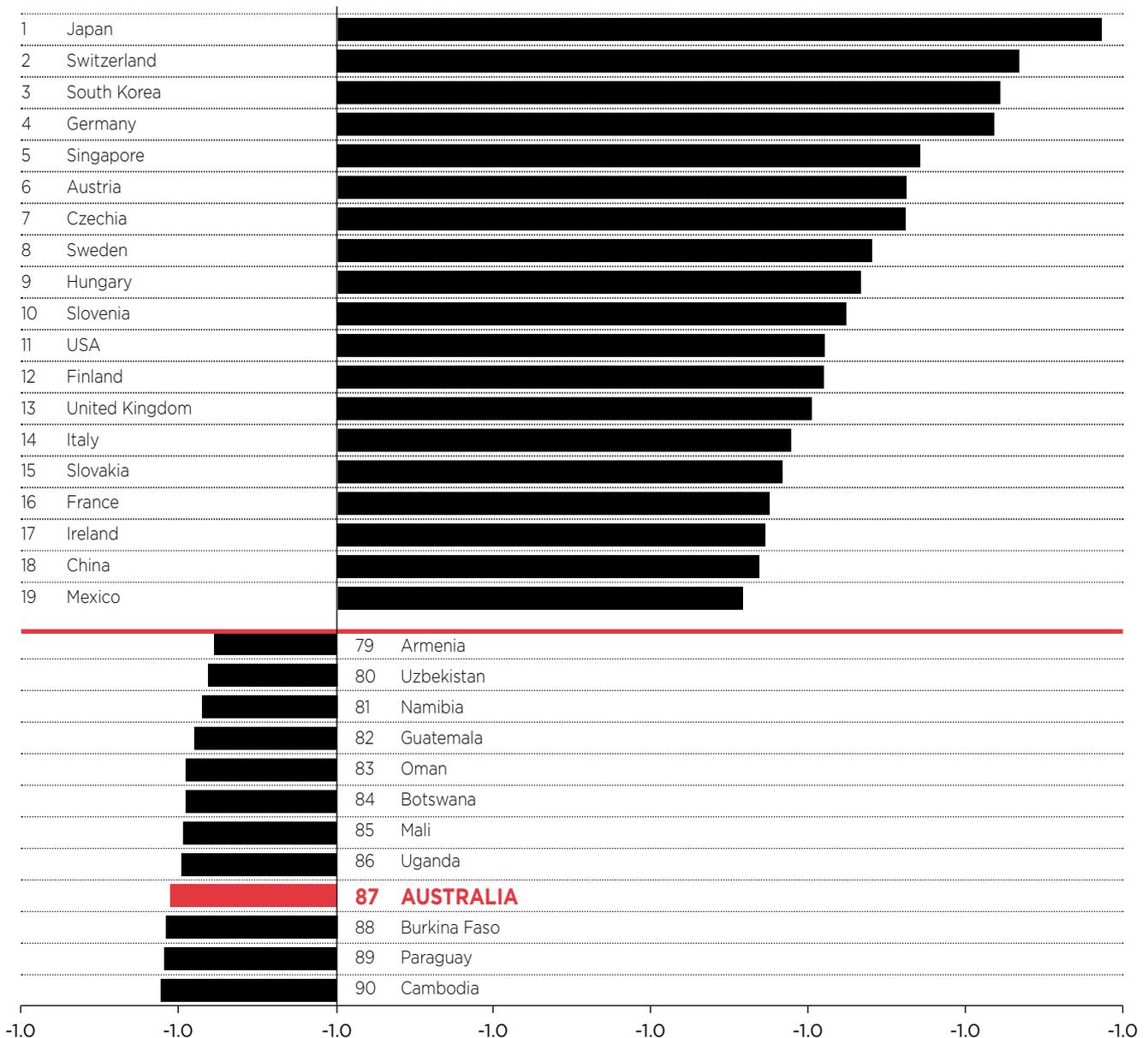
# Economic Complexity

Countries with high economic complexity are able to make and export a wide diversity of goods, especially complex, high value products that few other countries can make.

Economic complexity is calculated based on the diversity of exports a country produces and their ubiquity (the number of countries able to produce them) and reported in Harvard's Growth Lab's Atlas of Economic Complexity.

In 2018, Australia ranked only 87th out of 133 countries globally in economic complexity.

Compared to the decade prior, Australia's economy has become less complex and our performance has effectively stagnated under Scott Morrison's Liberal Government.



Source: Harvard's Growth Lab's Atlas of Economic Complexity, 2018



## SMALL AND MEDIUM ENTERPRISE PERFORMANCE

After 7 years of Liberal Government, the share of total merchandise exports from Australian SMEs remains at 3.8%, barely changed from 3.9% in 2013-14 when the Liberals were elected.

And the Export Council of Australia made clear in their 2018 report examining SMEs' international participation that Australia is going backwards.

**Australian SMEs account for – at most – 14% of goods exports (by value). By contrast, for G7 countries SMEs are responsible for an average of around 25% of goods exports, and the EU average is 35% (by FTE).**

Source: ABS Data



## EASE OF DOING BUSINESS IN AUSTRALIA

The World Bank's Doing Business publication ranks countries by ease of doing business and starting a business.

Don't believe Scott Morrison's marketing spin about a focus on helping business.

The latest rankings confirm Australia's gradual slide in world rankings under Scott Morrison and the LNP Government.

**Since 2010, Australia has slipped from 12th to 14th place globally in ease of doing business, and 4th to 7th place overall for ease of starting a business.**

## RECYCLING RATES

In 2019, Scott Morrison told the UN that "Australia is committed to leading urgent action to combat plastic pollution".

Yet in 2020, ABS Data confirmed that annual plastic recycling rates in Australia have **worsened under Scott Morrison**.

Only 9% of plastics were sent for recycling (227,000 tonnes), while 84% was sent to landfill (2.1 million tonnes). Down from 12% in 2016-17.

In 2020, Australia generated 76 million tonnes of waste – a 10% increase since 2016-17.



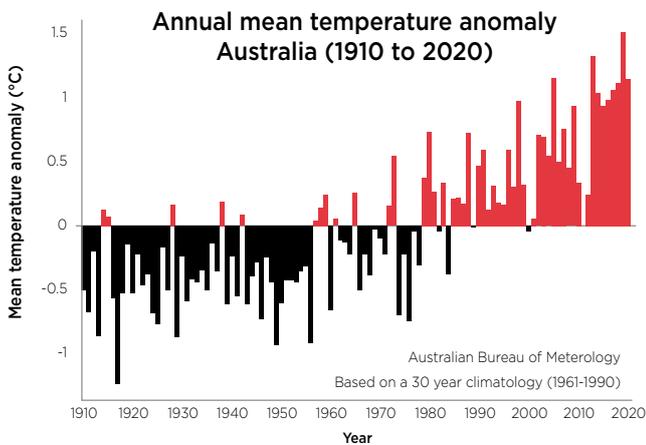
# Climate Change and Jobs

## FACT:

Under the Liberals, Australia's rate of greenhouse gas emissions per capita has been the highest in the world.

Source: Indicators for CO<sub>2</sub> emissions

The mean temperature for the 10 years from 2011 to 2020 was the highest on record. All years since 2013 have been amongst the ten warmest on record for Australia.



Source: BOM

## CLIMATE CHANGE IS AN OPPORTUNITY TO INVEST IN JOBS

Australia and the world are in the midst of a technological revolution - which presents an unprecedented opportunity to improve our lives.

The future belongs to those countries that innovate, adapt and adjust. And Australians need a Government committed to seizing opportunities.

The world is decarbonising. And with the right vision - led by Government - Australia could be an energy export superpower and create thousands of local jobs.

Economically, Australia is at a crucial intersection. Even before COVID-19, Australia's economy was weakening, and job insecurity and underemployment were at record highs. The decisions made in the next ten years will have lasting impacts for the rest of this century.

Australians deserve reassurance that their Government has a plan to address climate change and create the jobs of the future.

Government cannot stop change, but it can certainly shape it so it serves the Australian people.



# Australia's Climate Performance

Australia now ranks 54th out of 61 countries in the 2021 Global Climate Performance Index.

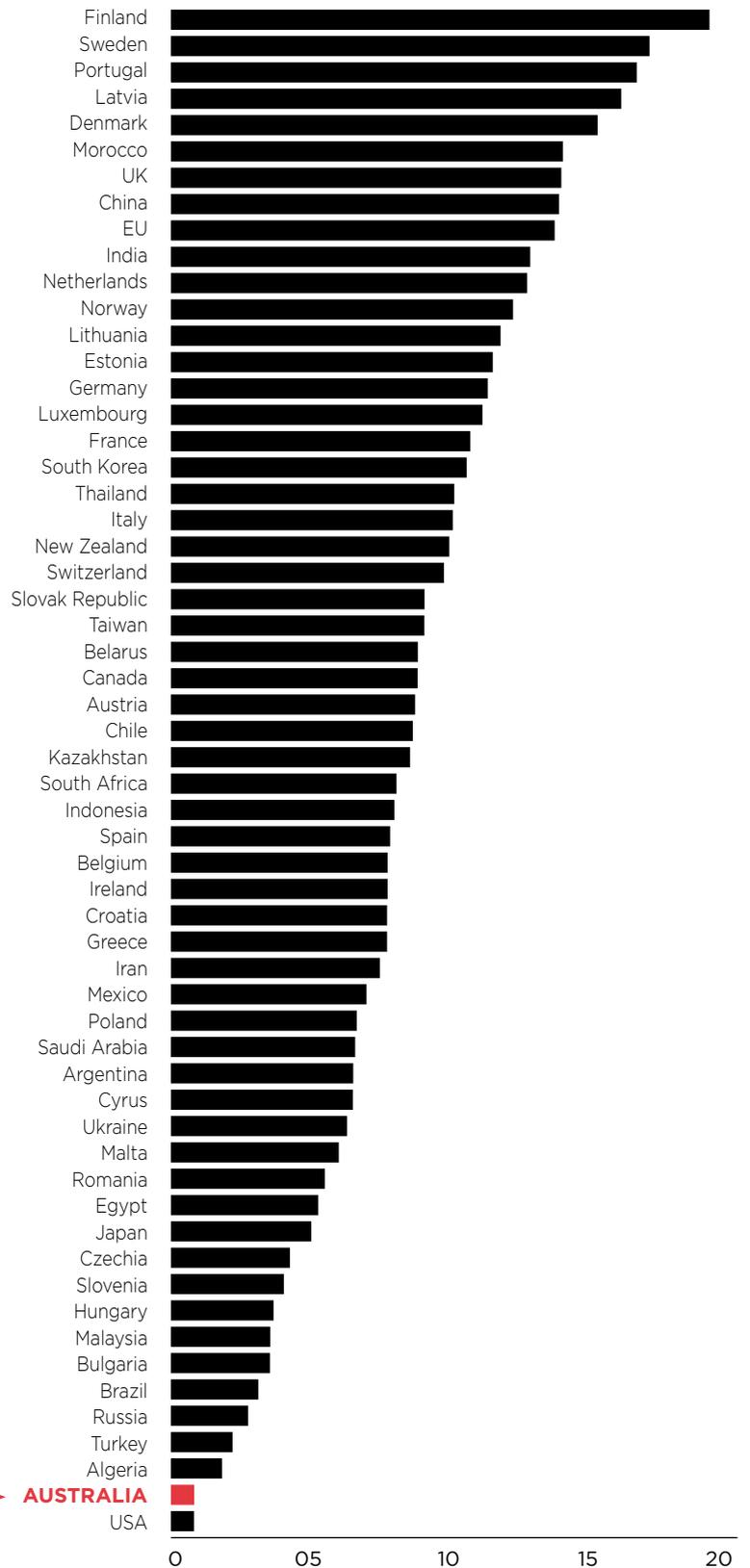
Under Scott Morrison **Australia ranks second worst globally** for Government climate policy.

Despite the Morrison Government's marketing spin on energy efficiency, the most recent International Energy Efficiency Scorecard (2018) **placed Australia 18th out of 25 of the world's top energy-consuming countries.** Australia's performance has sharply declined from the 2014 & 2016 Scorecards.

Over 90% of Australians believe the Australian Government should take action to address climate change. Taking action now will help protect our way of life and that of future generations.

Since 2013 successive Liberal Governments have failed to genuinely acknowledge and act on the threat posed by climate change.

The Morrison Government talks about meeting their inadequate targets, while Labor and the rest of the world is making firm commitments to net zero emissions by 2050. Political divisions within the Coalition about climate change are selling Australians short.



Source: Global Climate Performance Index, 2021



## The Environment

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Australia's wild koala population is now at real risk of extinction.

Studies suggest that possibly as few as 48,000 koalas still exist in the wild.

**Australia has the second highest level of biodiversity deterioration in the world.**

In less than a decade, Australia's record of environmental conservation has either stagnated or deteriorated in terms of key indicators such as threatened species and endangered ecosystems.

- Over the last eight years, the land area of native forest in Australia has shrunk. Australia now has the highest rate of loss in the world at 34.44% - more than three times the second ranked country, the US and sixty times worse than 10th ranked Finland.
- From 2014-2017 the rate of degradation of the Great Barrier Reef increased - due in part to climate change driven bleaching.
- 81 ecosystems in Australia are classified as threatened and 34 are critically threatened.
- 511 terrestrial and aquatic animal species are listed as threatened, with 55 considered extinct. 1355 plant species are listed as threatened.

**The Liberals' failures on climate change are mirrored by their failures to protect and enhance Australia's environment.**

# Medicare and Healthcare System

**Australia has one of the world's best universal healthcare systems, thanks to the Whitlam, Hawke-Keating and Rudd-Gillard Labor Governments, and despite the Liberals' long-held desire to undermine it.**

This system is complemented by the availability of private health insurance coverage. But under the Liberals, private coverage has become 36% more expensive and coverage is at its lowest rate in 15 years, putting pressure on the system.

## GLOBAL PERFORMANCE

The 2020 Commonwealth Fund International Health Policy Survey shows Australia now ranks only 8th out of 11 high-income countries for healthcare affordability.

Or to put it another way, under Scott Morrison, healthcare is less affordable in Australia than in the UK, Germany, France, Norway, the Netherlands, Sweden and Canada.

And a 2017 Commonwealth Fund study ranked Australia just 7th out of 11 countries for equity. Australia's health system under the LNP Government under-performs for lower-income people.

## COSTS TO AUSTRALIANS HAVE NEVER BEEN HIGHER

The Government's own data shows what Australians already know - that the cost of seeing a doctor has never been higher than under Scott Morrison.

The average out-of-pocket fee to see a GP is now \$39 — up \$10, or more than a third, under this Government.

And the increase is even worse for specialist visits.

The average specialist out-of-pocket fee is now \$88 — up a staggering \$30, or more than half, under Scott Morrison.



## AUSTRALIA IS GOING BACKWARDS ON KEY HEALTH OUTCOMES:

Australia now ranks 6th worst in the OECD for obesity rates. In 2017-18, two thirds (67%) of Australian adults were overweight or obese - an increase of 4% since 2014-15.

Suicide is the leading cause of death for Australians aged 15-49, and the second leading cause of death for Australians aged 50-54.

Source: OECDStats; ABS Data



# Arts, Culture and Creative Industries



## ABC CUTS

**Scott Morrison cut \$83.7 million from the ABC when he was Treasurer. But, he is now telling Australians that “there are no cuts”.**

Cumulative funding cuts to the ABC will be over \$783 million between 2013–2022, since the Liberals were elected.

Source: Per Capita report, 2020 and RMIT & Sydney Uni 2019 analysis

250 ABC staff are now facing the sack. Essential ABC services have already reduced because of the Liberals’ cuts. For example, the cancellation of 7.45am Radio News Bulletin, and a \$5 million reduction in Australian content commissions.

As a percentage of GDP, Australian spending on the Arts — at 0.72% — is well below the OECD average of 1.09%.

Liberal National Party hostility to the arts and culture has been pronounced under the Howard and Abbott-Turnbull-Morrison Governments. Malcolm Fraser’s Government was the last Liberal Government to introduce significant creative industry policies.

The Morrison Government’s disdain for the arts and culture has manifested in ideological culture wars targeting the ABC, universities and arts funding.

In the COVID-19 stimulus programs the arts were largely neglected. Arts organisations were ineligible for JobKeeper payments, yet many private companies used the JobKeeper payments to pay executive bonuses.

The only arts support the Prime Minister announced was because the arts also employed ‘tradies’. Scott Morrison’s marketing spin ignored the fact that artists are workers too, and that tradies and other workers are also active consumers of the arts.

Source: OECDStats

## FACT:

**Australia ranks 26th out of 33 countries on a broader OECD measure of spending on recreation, culture and religion trailed only by the United Kingdom, Greece, Ireland, Japan, the US and Costa Rica.**

# Education

## AUSTRALIA'S FALLING EDUCATION

Investment in education is critical to both the life fulfilment of individuals and Australia's international competitiveness.

**Australian children's educational outcomes have slipped in both national and international terms.**

According to OECD PISA Data, the science and maths skills of 15 year old Australians have suffered the most since 2013.

**Australia slipped from 8th to 13th position in science outcomes and from 17th to 24th in mathematics outcomes.**

Australia's falling education outcomes have been accompanied by a fall in education spending as a proportion of GDP.

Public spending on education (primary to post-secondary non-tertiary) fell from 3.8% of GDP in 2010 to 3.4% in 2017.



The proportion of younger Australians who are not engaged in full-time employment or education or training is measured by the NEET rate. Australia's performance relative to other nations has fallen.

At 11.9% the NEET rate for Australians aged 20 to 24 years was the 8th lowest out of 27 OECD countries in 2018. In 2010 Australia ranked 4th lowest.



**The Australian Council for Education Research (ACER) outlined that Australian children are now outperformed by their peers in 23 countries in mathematics, 12 countries in science and 10 countries in reading.**

The latest OECD data confirms that Australia has high tuition costs by global standards, which have been rising rapidly under Scott Morrison's LNP Government.

For Bachelor's degrees, in 2017-18 Australian students were paying the 6th highest average annual tuition fees in the world - **rising by 11%** since 2013-14.

For Master's degrees, in 2017-18 Australian students were paying the 4th highest average annual tuition fees in the world - **rising by 20%** since 2013-14.

## STUDENT LOANS AND DEBT ARE RISING

The growth in student loans under Scott Morrison and the LNP Government is astounding.

According to a comparison of OECD data from 2020 and 2015, **the average annual borrowing** by Australian students in tertiary programs **rose by a whopping 36.7% in just four years** (from 2013-14 to 2017-18). And unlike most OECD countries, the Australian Government hides and does not even report on the full extent of the debt that students graduate with.

# Gender Equality

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Australia needs to do better in its effort to improve the status and representation of women in our society.

From 2013 to 2018 the gender wage gap in Australia shrank. From 17th largest wage gap in the OECD in 2013 to the 9th in 2018.

At first glance, this seems a positive improvement. However, with a closer look, the apparent closing of the wage gap is due, in most part, to a dramatic slowing and stagnation of wage growth for Australia's male population rather than a substantial wage increase for women.

**This means that instead of pulling women's wages up to parity with men, the Australian government has instead pushed men down to a lower real wage.**

## REPRESENTATION OF WOMEN IN PARLIAMENT

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Australia's global ranking for the proportion of women in the lower house of the national parliament fell from a high of 32nd place in January 2010 under Labor, to 48th place in 2019 (Source: Inter-Parliamentary Union data).

OECD data shows Australia fell in the global rankings for the proportion of women serving as Ministers, from 22nd in 2012 to 33rd in 2019.

Following the 2019 election only 23% of the entire Coalition party room are women.

## Indigenous Australia

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First Nations Australians have the lowest life expectancy amongst First Nations people globally. This is shameful.

Outcomes for Australia's First Nations people are well behind those of non-Indigenous Australians, as demonstrated by the 2020 Closing the Gap Report.

The Liberal Government has failed to meet its own targets to close the gap. In 2020, **5 of the 7 targets were either not met or not on track.**

**Rising incarceration rates of First Australians are a national and international disgrace. First Nations adults are just 2% of the population, but they make up 27% of the prison population:**

- The imprisonment rate (per 100,000 adult population) for Indigenous Australians increased by 27.5% from 2013 to 2019. (Source: ABS 'Prisoners in Australia, 2019')
- At a UN Human Rights hearing in January 2021 Australia was questioned by other nations over the high rates of indigenous incarceration, especially that of children.
- In many jurisdictions around Australia the age of criminal responsibility is just 10y.o. This is not comparable with other developed nations.



# NBN and Broadband Internet

National fixed broadband speeds in Australia are among the lowest in the developed world.

According to the Speed Test Global Index, **Australia is ranked 61st globally** for Fixed Broadband at 58.83Mbps compared with 226.60 Mbps for the leading country, Singapore.

Countries such as New Zealand and the United States have a much higher average Fixed Broadband speed (at 141.98 and 173.67 respectively).

**Quality broadband services facilitate commerce and trade and remove obstacles and costs for small businesses.** It is no coincidence that global hubs of investment and technology also maintain world class broadband infrastructure.

But from the Abbott Government onwards LNP governments wanted to hobble a national broadband roll-out, either out of ignorance of the enablers of competitiveness in the modern world or ideological commitment to opposing whatever Labor proposed.

The result was two-fold: massive cost over-runs for a sub-standard system; and, further costs in eventually upgrading the system to levels other countries have been enjoying for years.

As at September 2020 Australia, despite enormous investment, ranked only 10th for Mobile average internet speeds (10th with 72.39 Mbps). This compared unfavourably with the 121.00 MBps average internet speeds in South Korea.

## MEAN DOWNLOAD SPEEDS (Mbps): GLOBAL RANKING

1	Liechtenstein
2	Jersey
3	Andorra
4	Gibraltar
5	Luxembourg
6	Iceland
7	Switzerland
8	Hong Kong
9	Monaco
10	Hungary
11	Netherlands
12	Aruba
13	Malta
14	Denmark
15	Aland Islands
16	Sweden
17	Bermuda
18	Singapore
19	Slovak Republic
20	United States
21	Estonia
22	Norway
23	New Zealand
24	Belgium
...	

**61 AUSTRALIA**

Source: [www.cable.co.uk](http://www.cable.co.uk)

# Investment in Australia

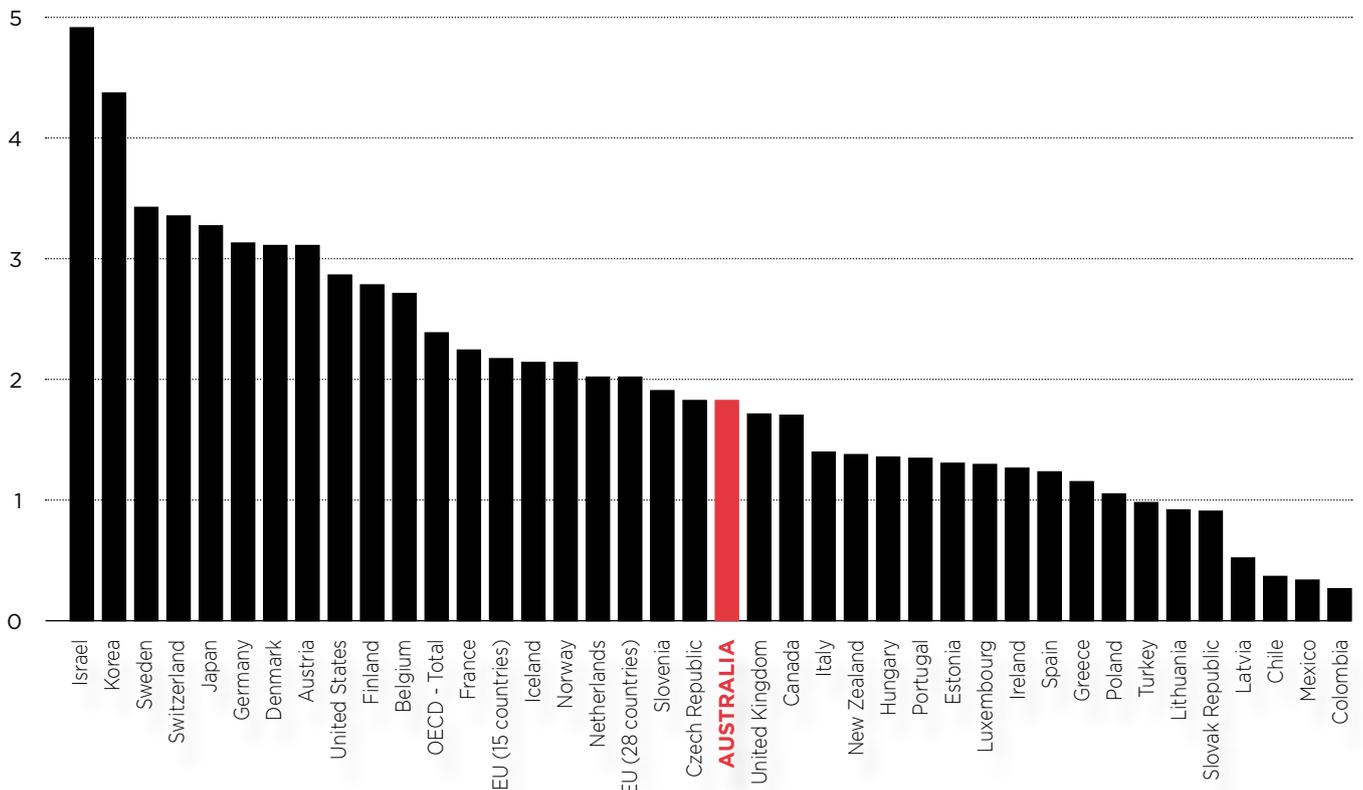
Investment in research and development (R&D) drives productivity, innovation and growth in the Australian economy, helping to improve the quality of life of all Australians.

Investment in R&D is essential to securing Australian competitiveness and efficiency in a global market and shaping our nation as a global tech leader.

In global terms, it is clear that our current government does not take these important economic considerations seriously.

- The latest OECD data shows that Australia (Government, Business and Academic sectors) spent roughly 1.79% of GDP on research and development
- This is a **significant fall since 2013** when 2.1% of GDP was spent on R&D.
- Australian investment in R&D **lags behind** both the OECD average and the European Union average.
- **Leading 'tech nations' outstrip Australian investment in R&D.** Countries such as Germany, France, the United States and Japan invest between 2.2% and 3% of GDP.

Gross expenditure on R&D as percentage of GDP – 2017



Source: OECDStats.

# Foreign Investment

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**Since European settlement, Australia has always needed overseas capital.**

Attracting appropriate and beneficial foreign investment to Australia's shores - especially business, industry and infrastructure investment - is a vital aspect of maximising Australia's economic capacity.

When foreign capital invests in Australia and engages in Australian commerce, more jobs are created, and Australian businesses can seize opportunities in new markets.

Less overseas investment will constrain productivity, limiting potential wage rises.

Yet despite our need for overseas capital, Australia's foreign investment performance remains mediocre.

**Australia was the 18th ranked OECD nation in terms of foreign direct investment as a percentage of GDP attracting FDI.**

Australia continues to **lag behind** the European Union average, Canada and the United States in terms of attracting investment.

Source: OECDStats



## Australia's Economic Recovery Post-COVID-19

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Australia should be leading the world in the jobs recovery from the recession.

Yet under Scott Morrison, Australia's November 2020 jobless rate of 6.8% is a long way from the ten OECD countries which already have jobless rates below 5%.

Australia is ranked only 18th out of 28 OECD countries in November 2020 for its unemployment rate.

Compare the Liberals' result during this recession to Australia's economic performance under Labor during the Global Financial Crisis.

In December 2010, Australia's jobless rate was 4.88% - almost half the OECD average at the time. Under Labor, Australia had the OECD's 5th best jobs performance.

Yet under the Liberals, Australia is lagging way behind at 18th.



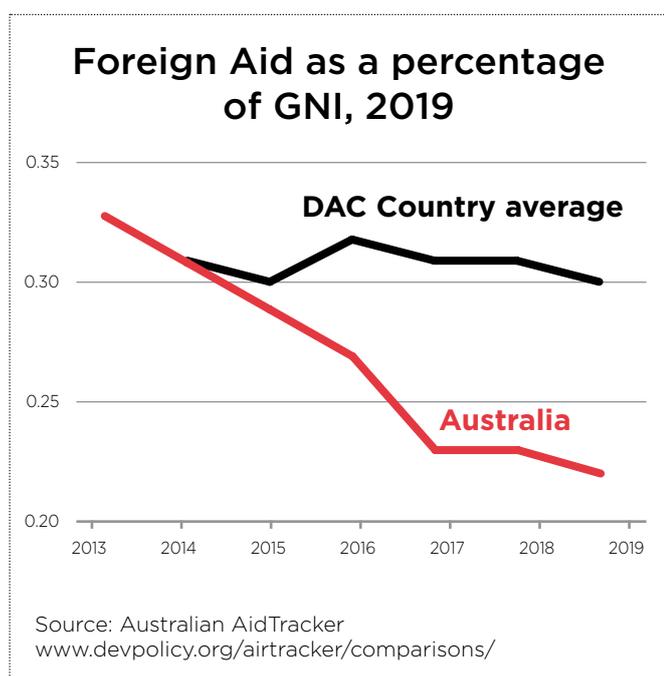
# International Development

Under the Liberals, Australia has recorded the nation's **lowest international development ranking ever** since OECD records began 60 years ago.

By 2019, Australia had fallen to 20th amongst DAC member countries, from 13th in 2012.

The Government has failed to deliver on their Pacific step-up, while presiding over a **massive step down** in Australia's engagement in Southeast Asia. Including an 80% cut in health support for Indonesia – our biggest neighbour.

This has **diminished Australia's standing** in the Indo-Pacific, leaving a vacuum for others to fill.



# Population

Australia's population growth – for many years a significant factor in economic development – is a function of migration and the fertility rate.

In recent years, it's largely been driven by immigration. That's because Australia's fertility rate has continued to fall rapidly.

Australia's fertility rate has now fallen below the reproduction rate. In 2018 it had fallen to 1.70 babies per woman from 2.02 in 2008.

In the 2020 Centre for Population report, the Morrison Government admitted it will fall even further to 1.59 babies per woman in 2021.

The 2020-21 Budget acknowledged that lower migration due to COVID-19 and falling fertility has a significant and permanent effect on the level of GDP and increases the Government's deficit over the medium-term.

The impact of lower migration alone was projected to result in \$16 billion less receipts in 2029-30 (PBO Research, August 2020) compared to the pre-pandemic levels, and a more rapidly ageing Australian population.

# Public Distrust in Government and Political Leadership

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Transparency International Australia's annual independent assessments confirm that Australia is becoming more corrupt. Australians' trust in public administration has slipped when compared to a decade ago.

In 2012, Australia ranked 7th on the Corruption Perception Index. Yet by 2020, under Scott Morrison, Australia had become more corrupt, slipping to 11th position.

## TRUST IN GOVERNMENT AND DEMOCRACY FALLING

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Since 2010, there has been a 13% drop in Australians' satisfaction with democracy. The Australian Electoral Survey shows that in 2010, 72% of Australians expressed satisfaction with democracy; in 2019 only 59% expressed the same sentiment.

The Global Satisfaction with Democracy Report listed Australia as a 'case of concern' in relation to citizens' dissatisfaction with democratic government.

When this trust crumbles, institutions suffer, and government becomes less stable. We need only look at the USA right now to see the corrosive impact of division and declining trust in democracy and government.

Corruption and Liberal graft, but still no National Integrity Commission, and a 22.1% cut to the Auditor General's budget.

Successive Liberal Governments have failed to act in the best interests of the public. Former Liberal Party Leader, John Hewson, has pointed out their:

- Cheating on expenses and electoral allowances, and using public money to fund branch stacking;
- Bending of entitlement rules using charter and VIP aircraft – from Bronwyn Bishop's use of a helicopter, or Mathias Cormann's VIP aircraft to campaign for a new job;
- Rorting of grants for party political advantage - e.g. sports rorts and regional job rorts;
- Paying \$30 million for the Western Sydney airport land deal which was only worth \$3 million;
- Stacking of COVID-19 recovery advisory groups with Liberal Party mates and vested interests; and
- Politicisation and erosion of the public service, appointing Scott Morrison's mates to the best jobs.

## SECRECY

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The Morrison Government's addiction to secrecy exacerbates distrust in government. From their refusal to release the report into the AusPost Cartier watch affair, to their outrageous record on FOI requests.



## Conclusion

**Australia is a great country, and generations of Australians have many achievements of which they can be proud.**

We have never pretended we were perfect but when we faced major challenges – from bushfires to wars, from social change to building great institutions – our governments and communities have worked together to strive to build a better future for all Australians.

**But after seven years of Liberal National Party Government we are going backwards and slipping behind countries which once envied us and looked on us as an example of a healthy, innovative democracy.**

**So when Scott Morrison asks: How good is Australia?**

The answer is clear: not good enough. Australia is going backwards under the Liberals, and Australians are being left behind.

Australians deserve a Government that acts in their interests.

**We must, and can, do better.**

