

WORLD RANK: **13** | REGIONAL RANK: **4**  
 ECONOMIC FREEDOM STATUS: **MOSTLY FREE**

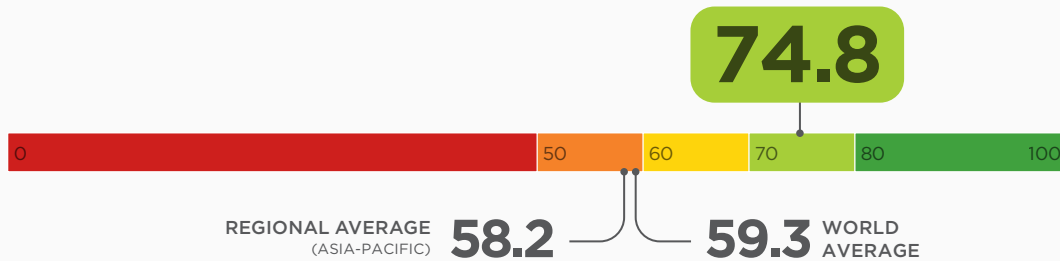


# AUSTRALIA

Australia's economic freedom score is 74.8, making its economy the 13th freest in the 2023 *Index*. Its score is 2.9 points lower than last year. Australia is ranked 4th out of 39 countries in the Asia-Pacific region, and its overall score remains well above the regional and world averages.

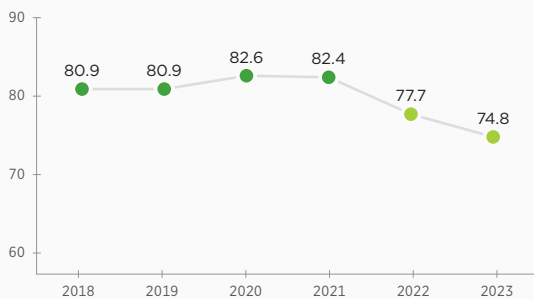
The foundations of economic freedom in Australia are strong and supported by a widely respected rule of law. The competitive economy benefits from the country's strong commitment to open-market policies that facilitate global trade and investment. Transparent and efficient regulations are generally applied evenly, encouraging dynamic private-sector entrepreneurial activity.

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): +0.7

## RECENT FREEDOM TREND



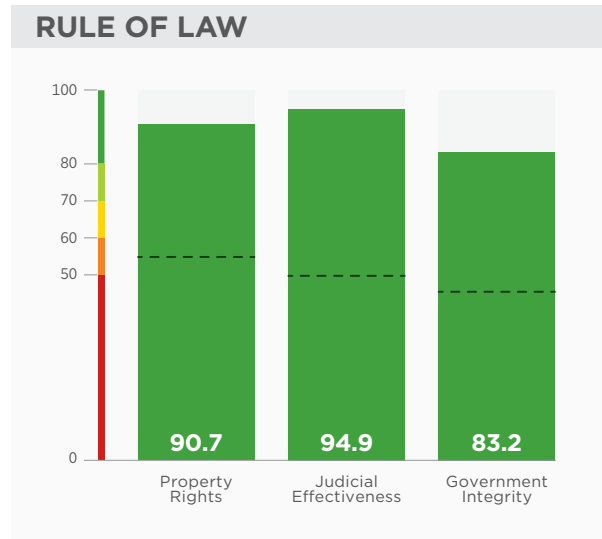
## QUICK FACTS

<b>POPULATION:</b> 25.7 million	<b>UNEMPLOYMENT:</b> 6.5%
<b>GDP (PPP):</b> \$1.5 trillion 4.7% growth in 2021 5-year compound annual growth 1.9%	<b>INFLATION (CPI):</b> 2.8%
<b>FDI INFLOW:</b> \$25.1 billion	<b>PUBLIC DEBT:</b> 58.4% of GDP

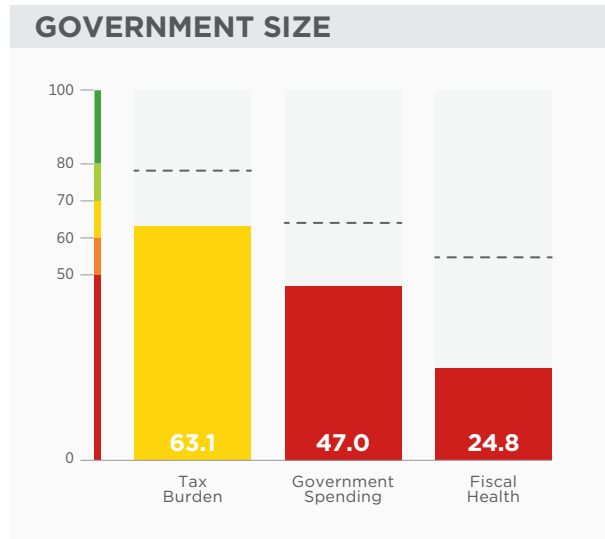
2021 data unless otherwise noted. Data compiled as of September 2022

**BACKGROUND:** Australia has enjoyed more than two decades of economic expansion. After nearly 10 years of Liberal Party rule, the Labor Party was victorious in the May 2022 elections. Like many other countries, Australia is experiencing relatively high inflation rates. It is internationally competitive in financial and insurance services, technologies, and high-value-added manufactured goods and has free-trade agreements with the U.S., China, Japan, South Korea, the Association of Southeast Asian Nations, and the United Kingdom. Abundant natural resources, including extensive and exportable reserves of coal, iron, copper, gold, natural gas, uranium, and renewable energy sources, attract high levels of foreign investment.

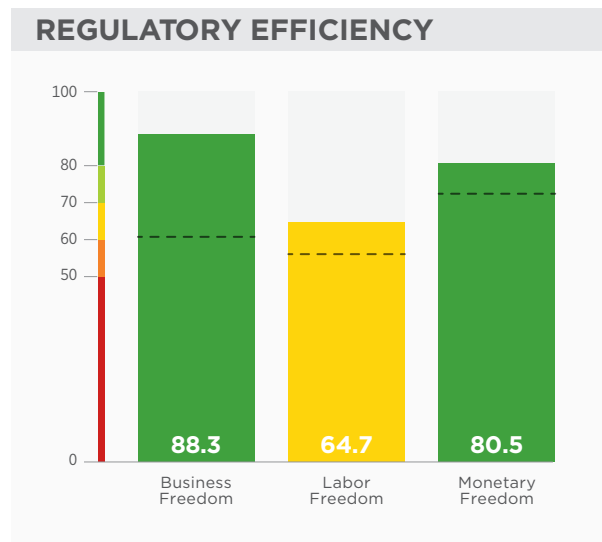
## 12 ECONOMIC FREEDOMS | AUSTRALIA



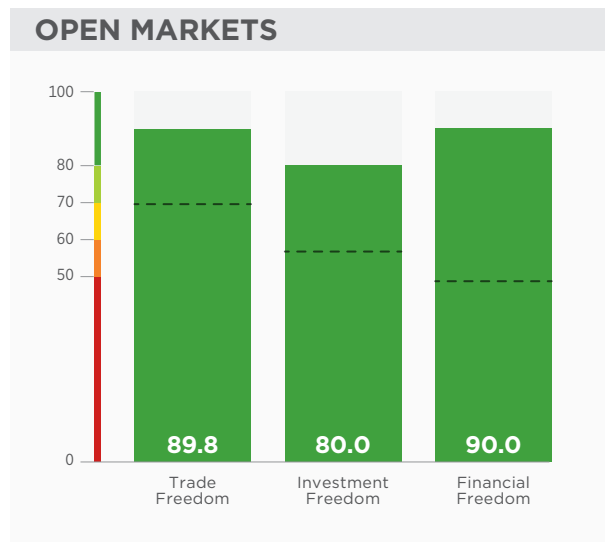
The overall rule of law is widely respected in Australia. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual and corporate tax rates are, respectively, 45 percent and 30 percent. The tax burden equals 27.7 percent of GDP. Three-year government spending and budget balance averages are, respectively, 42.0 percent and -6.5 percent of GDP. Public debt equals 58.4 percent of GDP.



Australia's regulatory environment is one of the most reliable, transparent, and efficient in the world despite setbacks experienced because of COVID-19 restrictions. The labor market remains flexible. The most recent available inflation rate is 2.8 percent.



The trade-weighted average tariff rate is 2.6 percent, and more than 300 nontariff measures are in force. Government policies do not significantly interfere with foreign investment. The financial sector is both competitive and well developed, and all banks are privately owned.