Australian Public finances are deteriorating

In 2013, Australia reported a deficit of 2.6% as a share of GDP and a structurally adjusted deficit of 1.4 as a share of potential GDP. Since 2007, debt levels (according to the System of National Accounts definition) have consistently increased (21 percentage points), reaching 41.4% as a share of GDP in 2014. Compared to other OECD countries, Australia was not as severely affected by the global economic crisis. Nonetheless, the budget is highly volatile as revenues rely heavily on natural mining resources that have recently experienced diminishing prices.

The size of government has moderately increased, but remains below the OECD average

Australia was one of the few OECD countries where employment levels in the public administration experienced a moderate increase between 2008 and 2014. The share of public employment as a percentage of total employment reached 18.4% in 2013, still below the OECD average of 21.3%; similarly, government expenditures were below OECD average (36.6% as a share of GDP in Australia vs 41.9% in the OECD). However, during the same period, a remuneration reform occurred with the intention of attaining cost control and limiting wage growth.

Australian society is becoming more equal

The tax system in Australia plays an important role in income redistribution. Australia’s Gini coefficient changes from 0.46 before taxes and transfers, to 0.32 after taxes and transfers. Moreover between 2011 and 2007, the disposable income of the bottom 10% of the population increased annually by 1.6%, while it decreased by 0.8% for the top 10%. In contrast, on average, for OECD member countries disposable income decreased at a higher annual pace for the bottom 10% (1.6%) than for the top 10% (0.8%).

Australia combines higher household expenditure on tertiary education with high entry rates

The share of private expenditure on tertiary education institutions reached 54.3% and is significantly above OECD average (30.8%). However, in 2012, the entry rate to tertiary type A education amounted to 102% in Australia (76% when excluding international students). This figure has increased by 43 percentage points since 2000, the highest increase across OECD countries. Overall the satisfaction with the general education system is 67%, a similar figure to the OECD average.
**Government Inputs: Financial and Human Resources**

### Public Finance and Economics

#### Government Revenues (2013) % of GDP
- **Australia**: 34.0%
- **Average of OECD countries**: 37.7%
- **Range of OECD country values**: 20% to 60%

#### Government Expenditures (2013) % of GDP
- **Australia**: 36.6%
- **Average of OECD countries**: 41.9%
- **Range of OECD country values**: 0% to 60%

#### Public Investment (2013) % of total govt. expenditures
- **Australia**: 9.5%
- **Average of OECD countries**: 7.8%
- **Range of OECD country values**: 0% to 20%

#### Government Gross Debt (2013, 2014) % of GDP
- **Australia**: 41.4% (2013), 37.4% (2014)

#### Fiscal Balance (2013) % of GDP
- **Australia**: -2.6%

### Public Employment and Compensation

#### Public Sector Employment as % of Total Employment (2013)
- **Australia**: 18.4%
- **World Average**: 21.3%

#### Public Sector Employment Filled by Women (2013)
- **Australia**: 57.5%
- **World Average**: 58.0%

#### Share of Women Ministers (2015)
- **Australia**: 17.2%
- **World Average**: 29.3%
GOVERNMENT OUTPUTS AND OUTCOMES

Core Government Results and Service Delivery

Satisfaction and confidence across public services (2014)
% of citizens expressing confidence/satisfaction

Health care
80% 71%

National government
45% 42%

Education system
67% 67%

Judicial system
60% 54%

Access to healthcare (2012)
Out of pocket expenditure as a % of final household consumption

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<thead>
<tr>
<th></th>
<th>0%</th>
<th>1%</th>
<th>2%</th>
<th>3%</th>
<th>4%</th>
<th>5%</th>
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<tbody>
<tr>
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<td>3.1%</td>
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<tr>
<td>Average</td>
<td>2.8%</td>
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Equity in learning outcomes (2012)
PISA mathematics score variance by socio economic background

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<thead>
<tr>
<th></th>
<th>5%</th>
<th>10%</th>
<th>15%</th>
<th>20%</th>
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<tbody>
<tr>
<td>Australia</td>
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<tr>
<td>Average</td>
<td>14.8%</td>
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Changes in household disposable income, by income group (2007-2011)

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<tbody>
<tr>
<td>Australia</td>
<td>1.6%</td>
<td>-0.3%</td>
<td>-1.0%</td>
<td>-0.3%</td>
<td>0%</td>
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<td>Bottom</td>
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Limited government powers (2015)

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<tbody>
<tr>
<td>Australia</td>
<td>0.83</td>
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<tr>
<td>Bottom</td>
<td>Top</td>
<td>[0.37-0.92]</td>
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Notes
- Fiscal balance as reported in the System of National Accounts (SNA) framework, also referred to as net lending (+) or net borrowing (-) of government, is calculated as total government revenues minus total government expenditures.
- Structural fiscal balance, or underlying balance, represents the fiscal balance adjusted for the state of the economic cycle (as measured by the output gap which resulted as the difference between actual and potential GDP) and one-off fiscal operations.
- Government gross debt is reported according to the SNA definition, which differs from the definition applied under the Maastricht Treaty. It is defined as all liabilities that require payment or payments of interest or principal by the debtor to the creditor at a date or dates in the future. All debt instruments are liabilities, but some liabilities such as shares, equity and financial derivatives are not debt. Government gross debt for Australia is reported on an adjusted basis (i.e. excluding unfunded pension liabilities).

Government at a Glance 2015

With a focus on public administration, OECD Government at a Glance 2015 provides readers with a dashboard of key indicators assembled with the goal of contributing to the analysis and international comparison of public sector performance across OECD countries. Indicators on public finances and employment are provided alongside composite indexes summarising aspects of public management policies, and indicators on services to citizens in health care, education, and justice. Government at a Glance 2015 also includes indicators on key governance and public management issues, such as regulatory management, budgeting practices and procedures, public sector integrity, public procurement and core government results in terms of trust in institutions, income redistribution and efficiency and cost-effectiveness of governments.

The Excel spreadsheets used to create the tables and figures in Government at a Glance 2015 are available via the StatLinks provided throughout the publication:
http://dx.doi.org/10.1787/gov_glance-2015-en

For more information on the data (including full methodology and figure notes) and to consult all other Country Fact Sheets: www.oecd.org/gov/govataglance.htm