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Australia



Standard: SS6E10 Analyze different economic systems.

Element: c. Describe the economic system used in Australia.

Australian Economy

Australia has a large wealth of **minerals** in which they **export** to other parts of the world.

Australia is the world's leader in exporting **bauxite**, iron ore and zircon.

Australia is the second largest exporter of **gold**, lead, **lithium**, manganese ore and zinc.

Because Australia has these **resources** available, it creates **industries** that require these resources.

Australian Economy



Australian Economy



Australian Economy

Unlike many top countries in the world, Australia does not have an **automotive** industry.

Australia is forced to **import** its new automobiles and parts because it does not have the **resources** available to build **automobiles** for themselves or export purposes.

Virtually all automobiles in Australia are **imports**.

Australia handles **scarcity** of certain mineral resources by utilizing the resources it has an abundance of.

Australian Economy



Australian Economy

The economy of Australia may be described as mostly **market-leaning**. Unlike most industrialized nations, Australia has not experienced an economic **recession** in over two decades.

A **recession** is a period of economic decline due to lagging trade and/or reduced industrial activity.

Unlike other nations around the globe during the Great Recession in 2008, Australia did not experience the same hardship in their economy due to the health of their economy.

Market Economy



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Australia

Australian Economy

Government **deregulation** of financial and labor markets, coupled with reductions in **trade barriers**, has made Australia one of the most economically vibrant nations in the **Asia-Pacific** region.

The Term **Deregulation** refers to a reduction of government oversight and/ or influence in a given sector of the economy.

Australia's service industries and technologies are some of the most highly sought after in the region, as are its **mining** and **agricultural** exports.

Australian Economy

Deregulation is important because it allows businesses freedom to **regulate** themselves rather than the government placing **restrictions** that hurt the **productivity** and **function** of businesses.

Because Australia is a market economy, its government leaves much decisions up to the **businesses**.

If Australia was a command economy, **government** would make majority of decisions for the businesses.

Australian Economy

DELIVERED

MORE EXPORTS. MORE JOBS. LOWER PRICES.



Because Australia has little trade barriers it allows neighboring countries to trade freely. This encourages businesses to invest in Australia and helps stimulate their economy.

Australian Economy

Like Canada, Australia's government strongly protects **business** and **intellectual** property rights which are crucial components for all **entrepreneurs**.

Without such protection **entrepreneurs**, authors, **inventors**, etc. would have their property constantly taken by other competitors looking to make a **profit**.

You can think of intellectual property rights as rights given to persons over the **creations** of their **minds**.

They usually give the creator **exclusive rights** over the use of his or her creation for a certain length of time.

Australian Economy

**FAMOUS
INVENTORS
OR
THIEVES?**



If governments do not protect its entrepreneurs creations, its economy is hurt because businesses cannot function because of the inventions, trademarks, or designs constantly being stolen.

Australian Economy

One recent global study found Australia being the **eighth** “best” country in the world, and is in the top 10 ranks for entrepreneurship.

AUSTRALIA

2017 INDEX OF ECONOMIC FREEDOM SCORE:

81.0



This graph shows the economic freedom Australia has. Such freedom helps entrepreneurs set up businesses rather easily with little government regulations.