



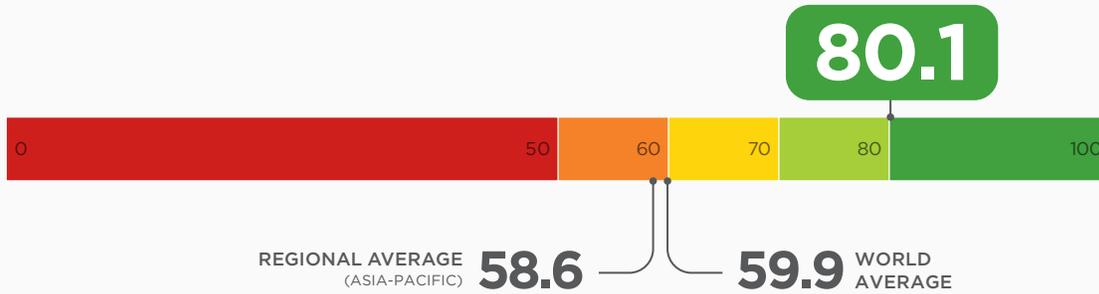
# AUSTRALIA

WORLD RANK:	REGIONAL RANK:
4	2
ECONOMIC FREEDOM STATUS: <b>FREE</b>	

Australia's economic freedom score is 80.1, making its economy the 4th freest in the 2026 *Index of Economic Freedom*. Its rating has increased by 0.8 point from last year, and Australia is ranked 2nd out of 39 countries in the Asia-Pacific region. The country's economic freedom score is higher than the world and regional averages. Australia's economy is considered "free" according to the 2026 *Index*.

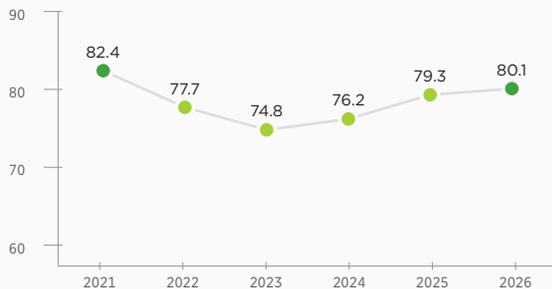
The competitive economy benefits from Australia's strong commitment to open-market policies that facilitate global trade and investment. The foundations of economic freedom in Australia are strong and supported by the widely respected rule of law. Transparent and efficient regulations are generally applied evenly and encourage dynamic private-sector entrepreneurial activity. Australia is internationally competitive in financial and insurance services and technologies and has free-trade agreements with the U.S., China, Japan, South Korea, the Association of Southeast Asian Nations, and the United Kingdom.

## ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): +6.0

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
27.0 million

**GDP (PPP):**  
\$1.9 trillion  
1.8% growth in 2025  
3-year average growth rate: 1.6%  
\$71,431 per capita

**UNEMPLOYMENT:**  
4.1%

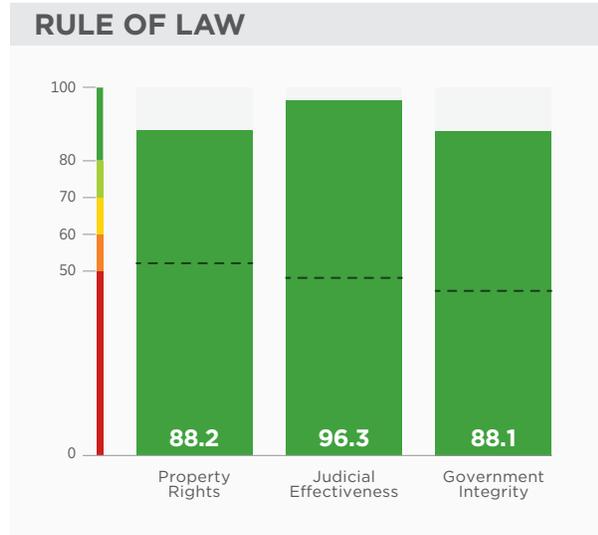
**INFLATION (CPI):**  
3.2%

**TRADE AS % OF GDP:** 47.3%

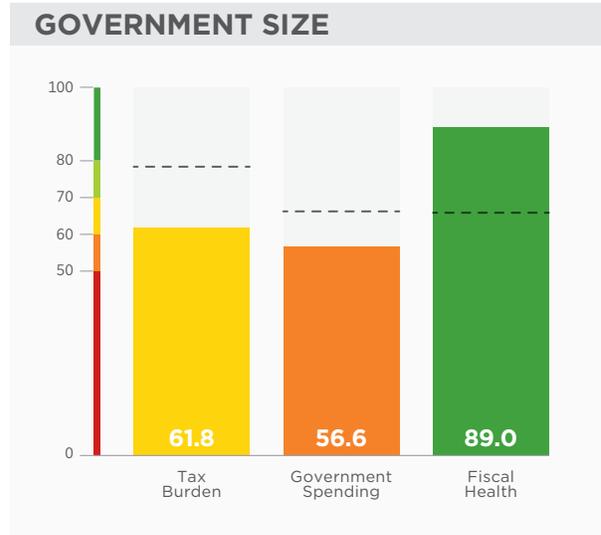
**PUBLIC DEBT:**  
50.7% of GDP

2025 data unless otherwise noted. Data compiled as of January 2026.

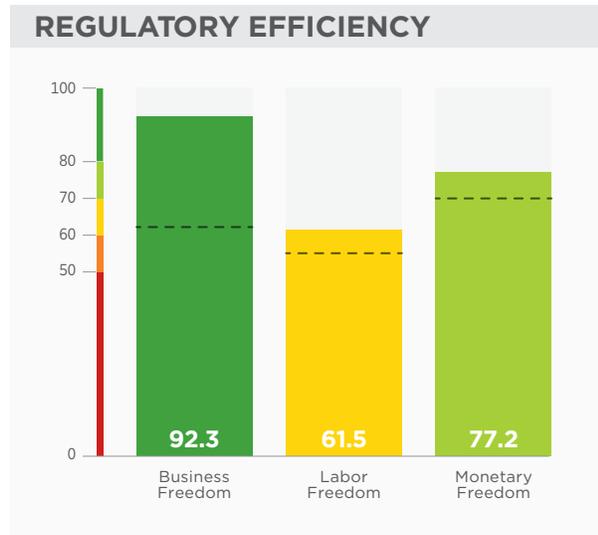
# 12 ECONOMIC FREEDOMS | AUSTRALIA



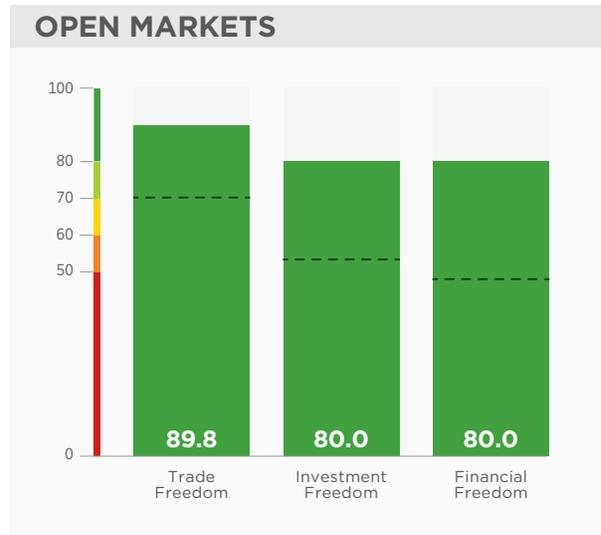
The overall rule of law is very well respected in Australia. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual income tax rate is 45 percent, and the top corporate tax rate is 30 percent. The tax burden equals 29.9 percent of GDP. Three-year government spending and budget balance averages are, respectively, 38 percent and -1.9 percent of GDP. Public debt amounts to 50.7 percent of GDP.



Australia's overall regulatory environment is well institutionalized and relatively efficient. The country's business freedom score is far above the world average; its labor freedom score is above the world average; and its monetary freedom score is well above the world average.



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