



Australia – Ease of doing business

Australia remains in the top 20 of the world's easiest places to do business, along with economies such as, Singapore, Hong Kong, New Zealand, the USA, UK and Canada according to 2012 *Doing Business* survey by the World Bank and International Finance Corporation. Australia was placed 15th out of 183 economies overall and ranks 6th in a comparison of economies with a population over 16 million.

Australia Highlights

- ▶ Australia rated the second-easiest place in the world to start a business after New Zealand.
- ▶ Australia had the highest rating for the low cost of paid-in capital (as a per cent of income per capita) – zero – required to start a business. This is well below of the average rates of 14.1 per cent and 20.1 per cent for the OECD High Income and East Asia & Pacific economies.
- ▶ The report recognised Australian reforms during the year in the area of insolvency. The recovery rate of Australia's resolving insolvency is high (80.8 cents on the dollar) and the timeframe is short (1 year).
- ▶ The strength of legal rights index was rated high (9 out of 10), credit information is deep with an index of 5 out of 6, and the private credit bureau coverage was among the highest at 100 per cent of adult population.
- ▶ Australia was also recognised for strong business practices in areas such as enforcing contracts and trading across borders.
- ▶ The time of enforcing contracts in Australia was estimated to 395 days. This was much shorter than the average figures of the OECD and East Asia & Pacific countries of 518 and 519 respectively.
- ▶ Cross border trading for Australia was also seen as favourable with "time to export and import" in Australia reported at 9 days and 8 days respectively. This compares favourably with the respective figures of 10 and 11 for the average of OECD, and 22 and 23 for East Asia & Pacific.

Key Indicators of Doing Business – 2012

	Economy	East Asia & Pacific	OECD High Income	Australia	China	India	Japan	South Korea	New Zealand	Hong Kong	Singapore	UK	USA
Starting a Business	Procedures (number)	7	5	2	14	12	8	5	1	3	3	6	6
	Time (days)	37	12	2	38	29	23	7	1	3	3	13	6
	Paid-in Min. Capital (% of income per capita)	20	14	0	100	150	0	0	0	0	0	0	0
Getting Credit	Strength of legal rights index (0-10)	7	7	9	6	8	7	8	10	10	10	10	9
	Depth of credit information index (0-6)	2	5	5	4	4	6	6	5	5	4	6	6
	Private bureau coverage (% of adults)	18	64	100	0	15	99	100	100	86	54	100	100
Trading Across Borders	Time to export (days)	22	10	9	21	16	10	7	10	5	5	7	6
	Time to import (days)	23	11	8	24	20	11	7	9	5	4	6	5
Enforcing Contracts	Time (days)	519	518	395	406	1,420	360	230	216	280	150	399	300
	Cost (% of claim)	48	20	22	11	40	32	10	22	21	26	25	14
Resolving Insolvency	Time (years)	2.9	1.7	1.0	1.7	7.0	0.6	1.5	1.3	1.1	0.8	1.0	1.5
	Recovery rate (cents on the dollar)	29.5	68.2	80.8	36.1	20.1	92.7	82.3	78.8	81.2	91.3	88.6	81.5
Ease of Doing Business Ranking	Out of 183 Economies	NA	NA	15	91	132	20	8	3	2	1	7	4
	Out of 61 Economies with Large Population (> 16 Million)	NA	NA	6	27	43	10	3	NA	NA	NA	2	1

NA = Not Applicable

Sources: The World Bank and International Finance Corporation, *Doing Business 2012: Doing business in a more transparent world*; Austrade