Contents

Executive summary ......................................................................................................................... 3
A. General enabling factors for Australia: Rating (Agree - Disagree) ................................. 7
   Q1 Business Efficiency ........................................................................................................... 7
   Q2 Infrastructure knowledge ............................................................................................... 8
   Q3 Government Effectiveness ............................................................................................ 9
   Q4 Socio-economic performance ....................................................................................... 10
B. How have the general enabling factors for Australia changed over the last 10 years? 11
   Q5 Business efficiency ....................................................................................................... 11
   Q6 Infrastructure and knowledge ........................................................................................ 12
   Q7 Government effectiveness ............................................................................................. 13
   Q8 Socio-economic performance ....................................................................................... 14
C. Basis for Australian comparative advantage: Score (High - Low) ................................... 15
   Q9 Please specify your choices for Industry 1 and Industry 2 ........................................ 15
   Q10. What are the potential market conditions for the industry? (All industries) .......... 17
   Q11. What is the current state of industry capability to achieve market potential? ........ 22
   Q12. Overall industry assessment ....................................................................................... 32
D. External global risk factors: Rate (on direction and extent of impact) ......................... 35
   Q13 Direction of impact ...................................................................................................... 35
   Q13 Extent of impact ........................................................................................................... 36

Annexure 1 – CEDA Survey Questionnaire
Annexure 2 - Annexure 2- Industry wise analysis of Q10, Q11 and Q12
Executive summary

‘Australia’s Comparative Advantage’ (ACA), is one of a series of projects being undertaken as part of ‘Securing Australia’s Future’ – a $10 million investment in a series of strategic research programs selected by the Prime Minister’s Science, Engineering and Innovation Council (PMSEIC) and the Chief Scientist and coordinated by the Australian Council of Learned Academies (ACOLA).

Project Aims

The opportunities and challenges of an economy in transition are a key issue for Australia as it faces a rapidly changing global environment. This multidisciplinary research program will identify Australia’s unique strengths and comparative advantages; establish which contexts and policy settings encourage creativity, adaptability and innovation; and explore the natural, social, geographical, economic, cultural and scientific attributes and capabilities needed to thrive as a nation.

Its distinctive feature is its representation from across the Academies. This is important as it symbolises the Project’s approach as being one to build on the strengths of all broad academic areas in reaching its conclusions.

About the CEDA survey

The survey was carried out as a brief data gathering exercise for the ACA project in conjunction with CEDA. The results from this survey will be used in the ACA project and form a part of the report to government for the Prime Minister’s Science, Engineering and Innovation Council (PMSEIC), and also inform CEDA’s program.

The survey style and focus was driven by the need to link to global comparative data.

The sections in the survey were focused on identifying industry views on:

1. General enabling factors for Australia’s progress.
2. Specific industry/sector factors
3. Global risk scenarios for Australia
4. Any further comment

The questionnaire is available as Annexure 1 in this document.

Response recorded

The survey received a total of 411 responses of which 290 (70.5%) complete responses were recorded and 121 (29.5%) were Partial Responses.
Survey findings

The survey received 411 responses the distribution by industry choices:

- 15% from Professional, scientific and Technical Services;
- 11% each from Electricity, Gas, Water and Waste Services, and Education and Training;
- 10% from Mining
- 09% each from Construction and Mining
- 07% from Financial and Insurance Services
- 06% from Public Administration and Safety
- 05% from Agriculture, Forestry and Fishing
- 17% from all others combined


In the Business efficiency section Workforce Relations and Flexibility and Adaptability emerge as strengths in business efficiency, while Financial and credit constraints are rated as impediments to business efficiency.

For the Infrastructure aspects the views are divided almost equally on basic general infrastructure adequacy while 12% remain neutral on the subject. However, a majority of respondent’s rate that knowledge transfer cooperation between universities and companies is not well developed.

The political system is viewed by overwhelming majority of respondents as being unsupportive to national progress, management of public finances is another area that emerges as a concern area along with labour regulations.

On the socio-economic aspects largely the respondents view Australian Culture being a strong contributor to national well-being but also state concern over social inclusion and ecological sustainability.

Rating the change over the last ten years on the general enabling factors for Australia, respondents view scale of operations and flexibility and adaptability, basic general infrastructure, state of resilience of the economy, ecological sustainability and social inclusion as having improved.

Finance and credit matters and education system are rated as having declined.

The aspects that are viewed as largely static are: Knowledge transfer and cooperation between universities and companies and basic research activity and government effectiveness.

The industries that viewed market potential with high level of domestic competition were Accommodation and Food Services, Agriculture, Forestry and Fishing, Construction, Education and training, Financial and Insurance services, Manufacturing, Rental, Hiring and Real estate services, Retail trade, Transport, Postal and Warehousing, and Wholesale trade.

Industry that rated strength of demand growth for industry’s products as low or very low were Administration and support services, Arts and recreation services, Construction, Electricit, gas, water and waste services, Manufacturing, Professional, scientific and technical services, Rental, hiring and real estate services, and wholesale trade.
Potential for further new technology to emerge as high or very high for Agriculture, Forestry and Fishing, Education and training, Health care and social assistance, Electricity, gas, water and waste services, Financial and insurance services, Information media and Telecommunications, Manufacturing, Professional, scientific and technical services, Public administration and safety, Mining, Transport, postal and warehousing, and Wholesale trade.

Industry that rated Industry's strength with respect to quality of workforce education, skill and training as low or very low are Agriculture, forestry and fishing, Information media and Telecommunications, Manufacturing, Public administration and safety, and Transport, postal and warehousing.

Organisation of industry supportive to market potential is rated as average across industries.

Quality of Management is rated as high by Financial and insurance services and Retail trade and largely average across all other industries.

Ability of industry to innovate or adopt innovative ideas across industries is a concern area except in case of Arts and recreation services, Retail Trade, and Transport, Postal and Warehousing which rate as high.

Largely, respondent rate infrastructure quality for industry needs, availability of natural resources and materials is rated as average across industries.

Finance access and availability is a concern area across Arts and recreation services, Healthcare and social assistance, Manufacturing, Other services (green resources, oil and gas), Public administration and safety, and Rental, hiring and real estate services, while all others rate it as average.

Most industries rate their willingness to engage globally as high or very high.

Overall industry assessment of overall long term growth potential is high for most industries except Manufacturing, and Public Administration and Safety. The Knowledge Economy potential is rated as high for Education and training, Financial and insurance services, Healthcare and social assistance, Information media and telecommunications, Mining, Other services (green resources, oil and gas), Professional, scientific and technical services, and Wholesale trade.

In assessing the External Global Risk Factors over 80% respondents rate Rising economic role of emerging economies, Increased emphasis on environmental sustainability, Diffusion & harmonisation of technology across trading partners and Growth of an increasingly affluent middle class across Asia as having a positive impact on Australia’s comparative advantage, while over 80% respondents rate Persistent and large fiscal imbalances in major world economies, Lack of global consensus on climate change, Trend towards species overexploitation, Increased risk of pandemics, An ageing population in developed countries, Risk of spread of financial contagion, Vulnerability of cyber-attacks, and Proliferation & increasing sophistication of organised crime as having a negative impact on Australia’s comparative advantage.

Rating the direction of impact of these risks Over 80% respondents rate Persistent and large fiscal imbalances in major world economies, Rising economic role of emerging economies, and Growth of an increasingly affluent middle class across Asia as having a large impact on Australia’s comparative advantage, while over 60% respondents rate Trend towards species overexploitation, Increased risk of pandemics, Unforeseen consequences of life sciences technology and nanotechnology, Increasing societal diversity based on ethnic and/ or religious identities, Increased product
fragmentation, and Proliferation & increasing sophistication of organised crime as having a small impact on Australia’s comparative advantage.

Conclusion

While the CEDA survey has clearly thrown light on some common issues across industries and allowing for further investigation on key areas, it is limited in its findings owing to a large number of respondents choosing to be neutral or rating them average which skews the findings. It could be prudent to err on the side of caution and view these responses as opportunities or weaknesses.
A. General enabling factors for Australia: Rating (Agree - Disagree)

This section evaluates general enabling factors that influence innovation, resilience, and overall performance of the Australian economy.

Respondents provided a rating for agreement with each statement using the 5-point scale.

Q1 Business Efficiency

![Business Efficiency Bar Chart]

45% of respondents (agree + strongly Agree) rate Workforce relations and 41% rate Flexibility and Adaptability as strengths in business efficiency.

58% of respondents (disagree + strongly disagree) rate that Financial and credit constraints impede business efficiency.
Q2 Infrastructure knowledge

45% of respondents (agree + strongly Agree) rated basic general infrastructure as adequate, however 43% rated the same as inadequate while 12% remain neutral. Therefore, it may be a safe assumption to make that basic infrastructure is not viewed as being adequate.

49% of respondents (disagree + strongly disagree) rate that the education system is unable to impart the skills needed while 22% remain neutral.

60% of respondents (disagree + strongly disagree) rate knowledge transfer cooperation between universities and companies is not well developed.

Overall the area of infrastructure and knowledge emerges as a critical concern area across all key aspects on which opinion were sought from the survey respondents.
Q3 Government Effectiveness

39% of respondents (agree + strongly Agree) state the legal and regulatory framework works well, whilst 40% of respondents (disagree + strongly disagree) and 22% remain neutral.

73% of the respondents state that the political system is not supporting national progress.

61% of the respondents (disagree + strongly disagree) rate that the Public finances are not managed well, whilst 15% remained neutral.

57% of the respondents (disagree + strongly disagree) rate labour regulations as not supporting business activity.

Overall the government effectiveness is rated poorly by the survey respondents.
Q4 Socio-economic performance

60% of respondents (agree + strongly agree) state that the Australian culture is a strong contributor to national well-being.

45% of respondents (agree + strongly agree) rated economic resilience as a strength.

47% of the respondents rate that Ecological sustainability is not adequately addressed, whilst 22% respondents remained neutral on this matter.

39% of the respondents (disagree + strongly disagree) rate social inclusion as a concern, whilst 27% of the respondents remained neutral.
B. How have the general enabling factors for Australia changed over the last 10 years?

This section evaluates how the general enabling factors that influence innovation, resilience and overall performance of the Australian economy changed over the last 10 years.

Q5 Business efficiency

51% of respondents state that the Scale of operations have improved over the last decade (strongly improved + improved), while 32% state it has remained static.

44% of the respondents state that Flexibility and adaptability has improved over the last decade.

40% of respondents state that the Finance and Credit matters have declined, while 30% state it has remained static.

39% of the respondents state that Workforce relations have declined over the last decade and 29% state it has remained static.
34% of the respondents state that basic general infrastructure has improved over the last decade, 29% state it has remained static, while 38% feel it has declined.

46% of respondents state education system has declined operations have improved over the last decade (strongly improved + improved), while 32% state it has remained static.

Knowledge transfer and cooperation between universities and companies, and Basic research activity is stated as having remained largely static over the last decade.
Overall, the respondents state the government effectiveness across all three areas has either declined or remain static. 17% respondents state however, that labour regulations have improved over the last decade.
Q8 Socio-economic performance

SOCIO-ECONOMIC PERFORMANCE

Total respondents =

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly improved</td>
<td>0%</td>
<td>1%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Improved</td>
<td>34%</td>
<td>37%</td>
<td>33%</td>
<td>20%</td>
</tr>
<tr>
<td>Remained static</td>
<td>29%</td>
<td>32%</td>
<td>43%</td>
<td>49%</td>
</tr>
<tr>
<td>Declined</td>
<td>32%</td>
<td>24%</td>
<td>21%</td>
<td>27%</td>
</tr>
<tr>
<td>Strongly declined</td>
<td>4%</td>
<td>6%</td>
<td>3%</td>
<td>3%</td>
</tr>
</tbody>
</table>

34% of the respondent state Resilience of the economy has improved over the last decade, 29% state it has remained static, while 36% state it has declined.

38% of respondent state Ecological sustainability has improved over the last decade while 32% state it remained static.

33% of respondent state Social inclusion has improved, however a 43% state it remained static.

While Australian Culture is considered to be strength, 30% of the respondent state that it has declined and 49% state it remained static.
C. Basis for Australian comparative advantage: Score (High - Low)

Respondents were asked to nominate up to two Australian industries or sectors with which they are familiar, and for these, rank each criteria using the 5-point scale provided.

Q9 Please specify your choices for Industry 1 and Industry 2

Industry wise distribution (Industry 1 + Industry 2)

This part graph represents the total number of respondents who chose a particular industry (either as Industry 1 or as Industry 2)
Distribution of choices by Industry 1 and Industry 2

INDUSTRY CHOICES

<table>
<thead>
<tr>
<th>Industry 1</th>
<th>Industry 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>OTHER SERVICES</td>
<td>3%</td>
</tr>
<tr>
<td>ARTS AND RECREATION SERVICES</td>
<td>4%</td>
</tr>
<tr>
<td>HEALTH CARE AND SOCIAL ASSISTANCE</td>
<td>4%</td>
</tr>
<tr>
<td>EDUCATION AND TRAINING</td>
<td>11%</td>
</tr>
<tr>
<td>PUBLIC ADMINISTRATION AND SAFETY</td>
<td>7%</td>
</tr>
<tr>
<td>ADMINISTRATIVE AND SUPPORT SERVICES</td>
<td>5%</td>
</tr>
<tr>
<td>PROFESSIONAL, SCIENTIFIC AND TECHNICAL SERVICES</td>
<td>8%</td>
</tr>
<tr>
<td>RENTAL, HIRING AND REAL ESTATE SERVICES</td>
<td>1%</td>
</tr>
<tr>
<td>FINANCIAL AND INSURANCE SERVICES</td>
<td>8%</td>
</tr>
<tr>
<td>INFORMATION MEDIA AND TELECOMMUNICATIONS</td>
<td>5%</td>
</tr>
<tr>
<td>TRANSPORT, POSTAL AND WAREHOUSING</td>
<td>1%</td>
</tr>
<tr>
<td>ACCOMMODATION AND FOOD SERVICES</td>
<td>1%</td>
</tr>
<tr>
<td>RETAIL TRADE</td>
<td>1%</td>
</tr>
<tr>
<td>WHOLESALE TRADE</td>
<td>1%</td>
</tr>
<tr>
<td>CONSTRUCTION</td>
<td>1%</td>
</tr>
<tr>
<td>ELECTRICITY, GAS, WATER AND WASTE SERVICES</td>
<td>4%</td>
</tr>
<tr>
<td>MANUFACTURING</td>
<td>9%</td>
</tr>
<tr>
<td>MINING</td>
<td>9%</td>
</tr>
<tr>
<td>AGRICULTURE, FORESTRY AND FISHING</td>
<td>6%</td>
</tr>
</tbody>
</table>
Q10. What are the potential market conditions for the industry? (All industries)

1. Likely extent of domestic competition in the industry, including imports

Over 60% of respondents rate domestic competition as high or very high for:

- Accommodation and Food Services
- Agriculture, Forestry and Fishing
- Construction
- Education and training
- Financial and Insurance services
- Manufacturing
- Other Services
- Retail trade
- Transport, Postal and Warehousing
- Wholesale trade

Industry that rated domestic competition as low were:

- Electricity, Gas, Water and Waste services
- Public administration and safety
- Mining

This report can be found at www.acola.org.au © Australian Council of Learned Academies
2. Likely extent of international competition for exports and overseas operations

Over 60% of respondents rate international completion as high or very high for:

Accommodation and Food Services, Agriculture, Forestry and Fishing, Education and training, Mining, Information media and Telecommunications, Professional, scientific and technical services, Manufacturing, Retail trade, and Wholesale trade.

Industry that rated international competition as low or very low were:

Electricity, Gas, Water and Waste services, Health care and Social assistance, Public administration and safety, Arts and recreation services, Construction, Rental, hiring and real estate services, and Transport, postal and warehousing.
3. Strength of demand growth for industry’s products and activities

Over 60% of respondent strength of demand growth for industry’s products as high or very high for:

Agriculture, Forestry and Fishing, Education and training, Health care and social assistance, Information media and Telecommunications, and Transport, postal and warehousing.

Industry that rated strength of demand growth for industry’s products as low or very low were:

Administration and support services, Arts and recreation services, Construction, Electricity, gas, water and waste services, Manufacturing, Professional, scientific and technical services, Rental, hiring and real estate services, and wholesale trade.
4. Strength of global demand for these products or activities

Over 60% of respondent strength of global demand for industry’s products as high or very high for:

- Accommodation and Food services
- Agriculture, Forestry and Fishing
- Education and training
- Health care and Social assistance
- Electricity, gas, water and waste services
- Information media and Telecommunications
- Mining
- Professional, Scientific and Technical services
- Public administration and safety
- Retail trade
- Wholesale trade

Industry that rated strength of demand growth for industry’s products as low or very low were:

- Construction
- Manufacturing
- Public administration and safety
- Retail, hiring and real estate services
- Transport, postal and warehousing
- Wholesale trade
5. Potential for further new technology to emerge (including address existing productivity and/or environment challenges)

Over 60% of respondent rate Potential for further new technology to emerge as high or very high for:

Agriculture, Forestry and Fishing, Education and training, Health care and social assistance, Electricity, gas, water and waste services, Financial and insurance services, Information media and Telecommunications, Manufacturing, Professional, scientific and technical services, Public administration and safety, Mining, Transport, postal and warehousing, and Wholesale trade.

Industry that rated Potential for further new technology to emerge as low or very low were:

Accommodation and food service, Public administration and safety, and Rental, hiring and real estate services.
Q11. What is the current state of industry capability to achieve market potential?

1. Industry’s strength with respect to modernity of plant and equipment

Over 60% of respondent rate Industry’s strength with respect to modernity of plant and equipment as high or very high for:

- Financial and insurance services, Information media and telecommunications, Mining, Rental, hiring and real estate services, and Transport, postal and warehousing.

Industry that rated Industry’s strength with respect to modernity of plant and equipment as low or very low were:

- Administration and support services, Agriculture, forestry and fishing, Electricity, gas, water and waste services, Manufacturing, Public administration and safety and wholesale trade.

This report can be found at www.acola.org.au © Australian Council of Learned Academies
2. Quality of workforce education, skill and training

Over 60% of respondents rated Quality of workforce education, skill and training as high or very high for:

Arts and recreation services, Financial and insurance services, Healthcare and social assistance, Professional, scientific and technical services, and Rental, hiring and real estate services.

Industry that rated Industry's strength with respect to quality of workforce education, skill and training as low or very low were:

Agriculture, forestry and fishing, Information media and Telecommunications, Manufacturing, Public administration and safety, and Transport, postal and warehousing.
3. Organisation of industry supports market potential

Most respondent rate organisation of industry supportive to market potential as average across industries. About 50% respondents rated it as high in Financial and Insurance service.

Over 50% respondents rated it as low or very low in Administrative and support services, Agriculture, Forestry and Fishing services, and Arts and recreation services.
4. Quality of management

Over 60% of respondents rate quality of management as high or very high for:

- Financial and insurance services and Retail trade.

Industry that rated industry's strength with respect to quality of management as low or very low were:

- Public administration and safety, Arts and recreation services, and wholesale trade.

Largely, quality of management is rated as average across industries.
5. Ability of industry to innovate or adopt innovative ideas

Over 60% of respondent rate ability of industry to innovate or adopt innovative ideas as high or very high for:

Arts and recreation services, Retail trade, Transport, Postal and warehousing.

Industry that rated industry's strength with respect to Ability of industry to innovate or adopt innovative ideas as low or very low were:

Public administration and safety, and Electricity, gas, water and waste services.

Largely ability of industry to innovate or adopt innovative ideas is rated as average across industries.
6. Infrastructure quality for industry needs

Over 50% of respondents rate infrastructure quality for industry needs as high or very high for:

- Electricity, gas, water and waste services,
- Financial and insurance services,
- Healthcare and social assistance,
- Information media and telecommunications,
- Professional, scientific and technical services.

Industry that rate infrastructure quality for industry needs as low or very low were:

- Rental hiring and real estate services,
- Public administration and safety,
- Mining,
- Agriculture, forestry and fishing.

Largely, respondents rate infrastructure quality for industry needs as average across industries.
7. Availability of natural resources and materials

Over 60% of respondent rate availability of natural resources and materials as high or very high for:

Accommodation and food services, Agriculture, forestry and fishing, Construction, Electricity, gas, water and waste services, Mining, and Other services (Green resources, Oil and Gas).

Industry that rate infrastructure quality for industry needs as low or very low were:

Administrative and support services and Rental, hiring and real estate services.

Largely, respondent rate availability of natural resources and materials as average across most industries.
8. Finance access and availability

Over 60% of respondents rate finance access and availability as high or very high for only within the Financial and insurance services.

Industries that rate finance access and availability as low or very low were:

Arts and recreation services, Healthcare and social assistance, Manufacturing, Other services (green resources, oil and gas), Public administration and safety, and Rental, hiring and real estate services.

All other industries mostly rate finance access and availability as average.
9. Impact of government policies on industry's growth

Over 60% of respondents rate the impact of government policies on industry’s growth as high or very high for:

- Arts and recreation services
- Financial and insurance services
- Information media and telecommunications
- Rental, hiring and real estate services
- Transport, postal and warehousing

Industries that rate the impact of government policies on industry’s growth as low or very low were:

- Administrative and support services
- Agriculture, forestry and fishing
- Construction
- Health care and social assistance
- Manufacturing
10. Willingness to engage globally

Over 60% of respondents rate willingness to engage globally as high or very high for:

Accommodation and food services, Agriculture, forestry and fishing, Arts and recreation services, Education and training, Healthcare and social assistance, Information media and telecommunications, Mining, Other services (green resources, oil and gas), Professional, scientific and technical services, and Retail trade.

Industries that rate willingness to engage globally as low or very low were:

Administrative and support services, Electricity, gas, water and waste services, and Public administration and safety.
Q12. Overall industry assessment

1. Growth record over the past decade

Over 60% of respondent rate growth rate over the past decade as high or very high for:

- Accommodation and food services
- Education and training
- Financial and insurance services
- Healthcare and social assistance
- Information media and telecommunications
- Mining
- Professional, scientific and technical services
- Transport, postal and warehousing

Industries that rate growth rate over the past decade as low or very low were:

- Arts and recreation services
- Electricity, gas, water and waste services
- Manufacturing
- Public administration and safety
- Wholesale trade
2. Overall long-term growth potential

Over 60% of respondent rate overall long-term growth potential as high or very high for:
Accommodation and food services, Arts and recreation services, Education and training,
Financial and insurance services, Healthcare and social assistance, Mining, Other services (green resources, oil and gas), Professional, scientific and technical services, Retail trade, and Wholesale trade.

Industries that rate growth rate over the past decade as low or very low were:
Manufacturing, and Public administration and safety.
Over 60% of respondents rate knowledge-economy potential as high or very high for:

Education and training, Financial and insurance services, Healthcare and social assistance, Information media and telecommunications, Mining, Other services (green resources, oil and gas), Professional, scientific and technical services, and Wholesale trade.

Industries that rate growth rate over the past decade as low or very low were:

Accommodation and food services, Manufacturing, Rental, hiring and real estate services, and Retail trade.
D. External global risk factors: Rate (on direction and extent of impact)

This is a list of global trends which could impact on Australia’s comparative advantage over the next 25 years. Please assess them in terms of direction (Positive or Negative) and extent of likely impact (Large or Small) on Australia.

Q13 Direction of impact

<table>
<thead>
<tr>
<th>Risk Factor</th>
<th>Positive</th>
<th>Negative</th>
<th>No. of response</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Persistent and large fiscal imbalances in major world economies</td>
<td>12%</td>
<td>88%</td>
<td>285</td>
</tr>
<tr>
<td>2. Rising economic role of emerging economies</td>
<td>84%</td>
<td>16%</td>
<td>285</td>
</tr>
<tr>
<td>3. Lack of global consensus on climate change</td>
<td>17%</td>
<td>83%</td>
<td>284</td>
</tr>
<tr>
<td>4. Trend towards species overexploitation</td>
<td>9%</td>
<td>91%</td>
<td>280</td>
</tr>
<tr>
<td>5. Increased emphasis on environmental sustainability</td>
<td>81%</td>
<td>19%</td>
<td>283</td>
</tr>
<tr>
<td>6. Greater global population movements</td>
<td>63%</td>
<td>37%</td>
<td>282</td>
</tr>
<tr>
<td>7. Increased risk of pandemics</td>
<td>10%</td>
<td>90%</td>
<td>281</td>
</tr>
<tr>
<td>8. Convergence of productivity globally</td>
<td>60%</td>
<td>40%</td>
<td>282</td>
</tr>
<tr>
<td>9. Convergence of labour costs across major trading partners</td>
<td>64%</td>
<td>36%</td>
<td>280</td>
</tr>
<tr>
<td>10. Diffusion &amp; harmonisation of technology across trading partners</td>
<td>82%</td>
<td>18%</td>
<td>280</td>
</tr>
<tr>
<td>11. Rapid technological obsolescence</td>
<td>36%</td>
<td>64%</td>
<td>281</td>
</tr>
<tr>
<td>12. Demand for a new energy mix to reduce fossil fuel use</td>
<td>72%</td>
<td>28%</td>
<td>282</td>
</tr>
<tr>
<td>13. Growth of an increasingly affluent middle class across Asia</td>
<td>97%</td>
<td>3%</td>
<td>283</td>
</tr>
<tr>
<td>14. Unforeseen consequences of life sciences technology and nanotechnology</td>
<td>61%</td>
<td>39%</td>
<td>279</td>
</tr>
<tr>
<td>15. Increasing societal diversity based on ethnic and/or religious identities</td>
<td>67%</td>
<td>33%</td>
<td>280</td>
</tr>
<tr>
<td>16. An ageing population in developed countries</td>
<td>19%</td>
<td>81%</td>
<td>281</td>
</tr>
<tr>
<td>17. Increasing urbanisation</td>
<td>59%</td>
<td>41%</td>
<td>281</td>
</tr>
<tr>
<td>18. Increased product fragmentation</td>
<td>53%</td>
<td>47%</td>
<td>279</td>
</tr>
<tr>
<td>19. Risk of spread of financial contagion</td>
<td>7%</td>
<td>93%</td>
<td>277</td>
</tr>
<tr>
<td>20. Vulnerability of cyber attacks</td>
<td>2%</td>
<td>98%</td>
<td>281</td>
</tr>
<tr>
<td>21. Proliferation &amp; increasing sophistication of organised crime</td>
<td>4%</td>
<td>96%</td>
<td>279</td>
</tr>
</tbody>
</table>

Over 80% respondents rate the following as having a **positive impact** on Australia’s comparative advantage:

Rising economic role of emerging economies, increased emphasis on environmental sustainability, Diffusion & harmonisation of technology across trading partners and Growth of an increasingly affluent middle class across Asia.

Over 80% respondents rate the following as having a **negative impact** on Australia’s comparative advantage:

Persistent and large fiscal imbalances in major world economies, Lack of global consensus on climate change, Trend towards species overexploitation, increased risk of pandemics, an ageing population in developed countries, Risk of spread of financial contagion, Vulnerability of cyber-attacks, and Proliferation & increasing sophistication of organised crime.
Q13 Extent of impact

<table>
<thead>
<tr>
<th>Event</th>
<th>Large</th>
<th>Small</th>
<th>No of responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Persistent and large fiscal imbalances in major world economies</td>
<td>81%</td>
<td>19%</td>
<td>281</td>
</tr>
<tr>
<td>2. Rising economic role of emerging economies</td>
<td>85%</td>
<td>15%</td>
<td>281</td>
</tr>
<tr>
<td>3. Lack of global consensus on climate change</td>
<td>51%</td>
<td>49%</td>
<td>280</td>
</tr>
<tr>
<td>4. Trend towards species overexploitation</td>
<td>36%</td>
<td>64%</td>
<td>277</td>
</tr>
<tr>
<td>5. Increased emphasis on environmental sustainability</td>
<td>55%</td>
<td>45%</td>
<td>280</td>
</tr>
<tr>
<td>6. Greater global population movements</td>
<td>54%</td>
<td>46%</td>
<td>279</td>
</tr>
<tr>
<td>7. Increased risk of pandemics</td>
<td>32%</td>
<td>68%</td>
<td>281</td>
</tr>
<tr>
<td>8. Convergence of productivity globally</td>
<td>59%</td>
<td>41%</td>
<td>278</td>
</tr>
<tr>
<td>9. Convergence of labour costs across major trading partners</td>
<td>58%</td>
<td>42%</td>
<td>277</td>
</tr>
<tr>
<td>10. Diffusion &amp; harmonisation of technology across trading partners</td>
<td>50%</td>
<td>50%</td>
<td>277</td>
</tr>
<tr>
<td>11. Rapid technological obsolescence</td>
<td>45%</td>
<td>55%</td>
<td>278</td>
</tr>
<tr>
<td>12. Demand for a new energy mix to reduce fossil fuel use</td>
<td>70%</td>
<td>30%</td>
<td>279</td>
</tr>
<tr>
<td>13. Growth of an increasingly affluent middle class across Asia</td>
<td>87%</td>
<td>13%</td>
<td>279</td>
</tr>
<tr>
<td>14. Unforeseen consequences of life sciences technology and nanotechnology</td>
<td>36%</td>
<td>64%</td>
<td>276</td>
</tr>
<tr>
<td>15. Increasing societal diversity based on ethnic and/ or religious identities</td>
<td>34%</td>
<td>66%</td>
<td>277</td>
</tr>
<tr>
<td>16. An ageing population in developed countries</td>
<td>58%</td>
<td>42%</td>
<td>278</td>
</tr>
<tr>
<td>17. Increasing urbanisation</td>
<td>56%</td>
<td>44%</td>
<td>278</td>
</tr>
<tr>
<td>18. Increased product fragmentation</td>
<td>18%</td>
<td>82%</td>
<td>276</td>
</tr>
<tr>
<td>19. Risk of spread of financial contagion</td>
<td>67%</td>
<td>33%</td>
<td>274</td>
</tr>
<tr>
<td>20. Vulnerability of cyber attacks</td>
<td>44%</td>
<td>56%</td>
<td>277</td>
</tr>
<tr>
<td>21. Proliferation &amp; increasing sophistication of organised crime</td>
<td>35%</td>
<td>65%</td>
<td>275</td>
</tr>
</tbody>
</table>

Over 80% respondents rate the following as having a **large impact** on Australia’s comparative advantage:

- Persistent and large fiscal imbalances in major world economies
- Rising economic role of emerging economies
- Growth of an increasingly affluent middle class across Asia

Over 60% respondents rate the following as having a **small impact** on Australia’s comparative advantage:

- Trend towards species overexploitation
- Increased risk of pandemics
- Unforeseen consequences of life sciences technology and nanotechnology
- Increasing societal diversity based on ethnic and/ or religious identities
- Increased product fragmentation
- Proliferation & increasing sophistication of organised crime