Sydney tops in quality of life: study

Sydneysiders enjoy Australia's best quality of living, but better conditions can be found across the Tasman, a survey shows.

Vienna topped the 2009 Worldwide Quality of Living Survey, but Australia fared well with Sydney placed 10th, Melbourne 18th, Perth 21st, Adelaide 30th and Brisbane 34th.

However, Auckland was fourth in the survey - the only other southern hemisphere city to make the top 10.

The survey ranked 215 cities against a range of political, social, economic, environmental, personal safety and public service criteria.

Australia's other capitals were not included in the list, compiled by global consultancy firm Mercer to help calculate remuneration packages for expatriate workers.

"Both Australia and New Zealand boast some of the most liveable cities in the world," Mercer spokesman Rob Knox said in a statement.

The survey, which ranks cities by a point score awarded against each criteria, is calculated annually and Mr Knox said Australian results were largely unchanged from 2008.

"Economic growth in the Asia Pacific region is outstripping most other parts of the world," he said.

"Multinationals can send their high-performers Down Under to gain experience in a mature market, but on the doorstep of, and with exposure to, one of the fastest moving regions in the world - while at the same time providing the benefits and security of living in Australia or New Zealand."

Wellington, in New Zealand, ranked 12th in the survey, which collected data between September and November 2008.

European cities dominated the top 10: Vienna (1), Zurich (2), Geneva (3), Vancouver (equal 4), Auckland (equal 4), Duesseldorf (6), Munich (7), Frankfurt (8), Bern (9), Sydney (10).

Consumption could hold the key to the country's recovery

Funds gathered in deposits could re-enter the market if sentiment improves

Assuming unemployment does not climb to higher levels in the fall, tourism holds its ground and Greek consumers face consistently lower savings rates and cheaper borrowing for mortgage loans, it is easy to see that they would have to start spending part of their accumulated savings at some point down the road.

The global credit crunch and the ensuing economic crisis will likely bring Greek economic growth to a standstill and may even push it into recession this year for the first time since 1993. Although things will get worse before they get better, the domestic economy may be able to weather the storm better than most of its EU peers, if consumers regain their confidence and the government behaves in a fiscally responsible way.

There may be something wrong with the 88-percent gross domestic product (GDP) figure in Greece. The country's GDP per capita, measured according to purchasing power parity, stood at 88.2 percent of the average GDP per capita in the EU-15, that is, the 15 core countries of the European Union, originally called European Community in 1980. That was a high point for Greece, because it fell to about 71 percent of the EU-15 average in 1996 for one good reason:

The Greek economy grew by about 1 percent between 1980 and 1996 compared to more than 2 percent on average in the core EU countries.

The situation changed completely from 1996 through 2008. The local economy outperformed its peers during this period, with the economy advancing by about 3.8 percent on average, compared to about 2.1 percent in the major EU countries. This brought the Greek average per capita GDP, measured in purchasing power units, to about 88-89 percent of eurozone's GDP in 2008.

Assuming the Greek economy stagnates or shrinks by about 0.5 percent in 2009 and the economy of the rest of the eurozone countries recedes by more than 1.5 percent, the country's per capita income will continue to catch up with its peers. However, it is not sure whether the local economy will be able to recover fast enough to continue to outperform in the coming years given its high public debt-to-GDP ratio and the demands for a strict and painful fiscal adjustment required by the European Commission and its international borrowers.

The painful adjustment is the result of years of complacency among policy makers, political parties, trade unions and the local press. Most of these groups have resisted calls for institutional reforms in public finances and the greater public sector to close the budget gap. Instead, they continued to complain that the governments in power were not spending enough and had not reduced taxes enough to help boost individuals' net income.

In so doing, they ignored the positive impact of strong economic growth on state revenues and spending, which helped bring the general government budget deficit to 2.8 percent of GDP in 2006 from 5.1 percent in 2005 and 7.5 percent in 2004. However, just a look at the so-called cyclically adjusted budget, which takes into account this positive impact and shows a more clear picture of the real fiscal stance, would have made it clear the country was on the wrong path, undermining its future economic growth.

At this point, everybody agrees that tourism, an important industry, will determine whether the Greek economy will go under or stay afloat. In September-October, we will have a good idea of the actual outcome.

However, there is another important factor that could have helped to pull the economy out of its slump in the last quarter of 2008 or the first quarter of 2009, and this is the Greek consumer. Facing a barrage of negative news in the press in Greece and from abroad, the average local citizen has scaled back on his purchases of goods and services, contributing to the sharp slowdown in economic growth. Still, unemployment, which is an important determinant of consumer behavior, has yet to be hit hard, with the exception of construction and related sectors. Even the car dealership sector, a small one, which was affected earlier, appears to be on its way to recovery following the tax-cutting measures announced by the government for car purchases.

Provided unemployment does not climb to higher levels in the fall, tourism holds its ground and Greek consumers face consistently lower savings rates and cheaper borrowing for mortgage loans, it is easy to see that they would have to start spending part of their accumulated savings at some point down the road.

All in all, one should not be surprised if consumers start ignoring all the doom scenarios late in the fourth quarter of 2009 or the first quarter of 2010 and produce a stronger economic recovery in 2010 than most anticipate at this point. Let's not forget that consumption accounts for more than 70 percent of the Greek GDP and is powerful enough to turn things around and help close the budget gap.

Five being tested for swine flu in NSW

Five people with suspected swine flu are being tested in NSW but state health authorities are confident they are well prepared to deal with any outbreak.

NSW Health could not give a breakdown of the ages or genders of the five, but said four of them live in Sydney, one on the Central Coast and a "couple" of them were children. All have mild cases of a flu-like illness, have returned from the United States, Mexico or Canada in the past five days, and presented to either emergency departments or their local GP on Monday.

NSW chief health officer Kerry Chant said 17 people with influenza-like illnesses had initially been followed up by NSW public health units on Monday.

However, 12 had been ruled out as swine flu sufferers, while the results of tests on the remaining five would likely be known by the end of the week.

Those with suspected cases of swine flu have been told to stay at home.

"We're saying that they are suspected cases at this stage," Dr Chant told reporters at Sydney Hospital. "It will take us a little while but, obviously, we are acting in a precautionary way and advising them to remain isolated."

A caller to Macquarie Radio, identified only as Steve, said his daughter, aged in her early 20s, had recently returned from Mexico and was one of the five suspected swine flu cases.

"My daughter has come back and she's had a very, very prolonged flu," he said.

"She's been pretty good actually. And when I heard it, I mean she's an adult, I suggested she get herself down to the doctors and they've immediately got her to the hospital." Anyone who has visited an affected country and returned with a flu-like illness has been urged to contact their local public health unit, their GP or an emergency department. Mexican authorities say the number of suspected swine flu cases has risen to 1,614, with 103 deaths so far. On Sunday, the New Zealand government announced 10 local students who recently returned from Mexico had tested positive for influenza A and were believed "likely" to have contracted swine flu. There are also six reported cases in Canada.

World Health Organisation officials have warned the new strain could further mutate. All flights into Australia from North or South America will have to report any passengers with flu-like symptoms before the aircraft is allowed to land.