

balance of payments

the record of transactions between Australia and the rest of the world during a given period, consisting of the current account and the capital and financial account

the balance of payments constraint

reflects the extent to which a high current account deficit limits the speed at which the economy can grow

current account

the part of the balance of payments that show the receipts and payments for trade in goods and services, as well as both primary and secondary income flows between Australia and the rest of the world in a given time period; these are non-reversible transactions

ecologically sustainable development

involves conserving and enhancing the community's resources so that ecological processes and quality of life are maintained

economic growth

an increase in the volume of goods and services produced in an economy over a given time period, measured by the rate of change in GDP

economic policy mix	the combination of macroeconomic (fiscal and monetary) and microeconomic policies used by the government to achieve its economic objectives
external stability	refers to a situation where Australia is meeting its financial obligations to the rest of the world and its external accounts- the size of its current account deficit and the size of its foreign liabilities do not hinder it from achieving other economic objectives
macroeconomic policy	the use of government policies to influence the economy with the aims of reducing large fluctuation in the level of economic activity and achieving certain economic goals
microeconomic policy	policies that are aimed at individual industries, seeking to increase aggregate supply by increasing the efficiency and productivity of procedures
the non-accelerating inflation rate of unemployment (NAIRU)	the level of unemployment at which there is no cyclical unemployment i.e. where the economy is a full employment

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price stability

keeping inflation, or the increase in general price level at a reasonable level

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quality of life

the overall wellbeing of individuals within a country according to their material living standards and a range of other indicators such as education levels, environmental quality and health standards

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