



Economic Indicators: Queensland and Australia

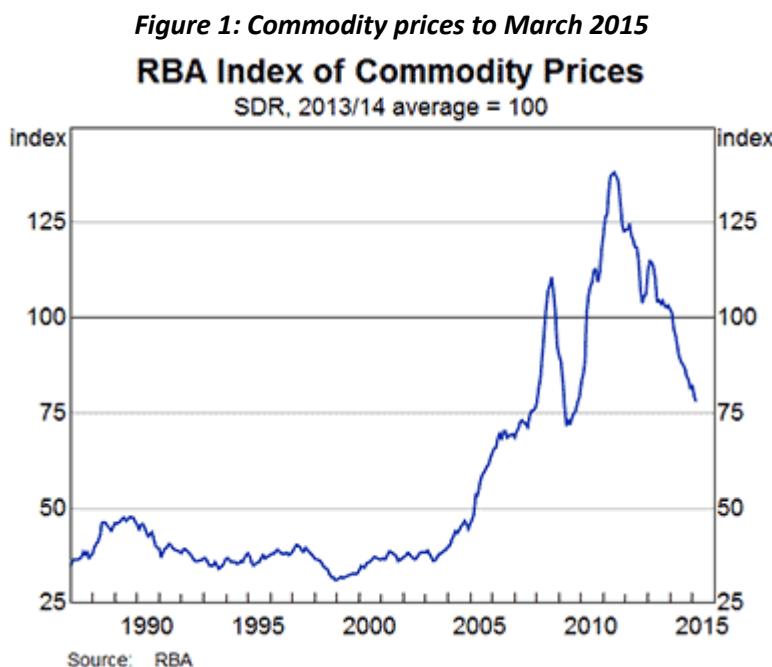
As at 10 April 2015

Market Summary

The Reserve Bank of Australia (RBA) voted to keep the cash rate steady at 2.25% at the April meeting, despite many commentators expecting a fall of 25 basis points. The RBA reported that the Australian economy is growing at below trend levels, with continued decline in the terms of trade and significant falls to the price of key commodities. While voting to keep interest rates steady for this month, the RBA Board signaled that easing may be appropriate over the period ahead. Once again, suspicious trading data in the seconds before the release of the RBA decision has triggered an [investigation](#) by the Australian Securities and Investment Commission.

Currency exchange data showed the continued decline in the value of the Aussie dollar to be at six year lows against the US greenback. The Aussie dollar has fallen from parity just two years ago in May 2013 to US\$0.7645 in close of trading before the Easter holiday and has fallen against all major currencies, including the New Zealand dollar.

The RBA [Index of Commodity Prices](#) showed falls of 1.7% for the index of commodity prices in [SDR](#) terms in March 2015 (on a monthly average basis) after a revised fall of 3.7% in February, to be 19.7% lower over the past year in SDR terms. (See Figure 1).



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The largest contributor to the March commodity index decline has been the prices of bulk commodities, particularly the fall in the price of iron ore to below US\$50 per tonne for the first time since 2007.

Coal prices remained subdued as a result of over-supply. Using spot prices for iron ore, coking coal and thermal coal, the RBA commodities index declined 2.6% for March in SDR terms, to be 19% lower in the past twelve months.

Owing to the annual seasonal reanalysis of Labour Force data due to be released in March 2015, the March issue of Labour Force, Australia (Cat no. 6202.0) will be released on 16 April not 9 April as previously announced by the ABS. The March issue will also include a review of the recent volatility in labour force statistics due to changes in the supplementary survey program.

March 2015 labour force statistics and commentary on the outcomes of the seasonal reanalysis and review will be included in a supplementary *Economic Indicators* report to be released by the Queensland Parliamentary Library in mid-April.

Market Monitor

	Price (Week ending 3 April)
AUD\$/US\$	↑ \$0.7645
All Ord. Share Index	↑ 5845.20pts
Cattle Futures (EYCI)	↓ 424.25 Ac/kg
Sugar (ICE No.11 Futures)	↓ 12.25 USc/lb
Cotton (No. 2 Futures)	↑ 63.82 USc/lb
Iron Ore 62% Fe	↓ 49.00 US\$/t
Mogas95[#]	↓ 71.45 US\$/bbl
Gold (week-end London PM Fix)	↑ 1198.50 US\$/oz

Economic Indicators Summary: Latest Results ¹		
RBA Cash Rate (7 April 2015)	↔ at 2.25% (Aust)	
International Trade (Feb 2015)	Trade Balance ↔ 0.0% at -\$0.99 billion Exports ↑ 1.0% at \$27.69 billion Imports ↑ 1.0% at \$28.69 billion	
Building Approvals (Feb 2015)	Qld ↑ 2.1%	Aust ↑ 1.6%
Retail Trade (Feb 2015)	Qld ↑ 0.6%	Aust ↑ 0.3%
Housing Finance (value)² (Feb 2015)	Qld ↑ 0.2% at \$3.11 billion	Aust ↑ 0.8% at \$18.34 billion

[#] Mogas 95 is the Singapore benchmark petrol price closely linked to Australian domestic fuel prices.

¹ Unless otherwise indicated, the data referred to in this document is trend data. The Australian Bureau of Statistics defines trend data as a seasonally adjusted series that has been further adjusted to remove irregular effects and 'smooth' out the series to show the overall 'trend' of the data over time.

² Owner occupied.

NEW RELEASES THIS MONTH

General economic data

The RBA voted to keep the cash rate at the record low level of 2.25% at its meeting held on 7 April 2015. The significant falls in commodity prices, particularly falls in iron ore and oil prices, reflect both lower demand and increased global supply. While economic growth for the nation is expected to continue at below trend levels, the inflation outlook is expected to remain with the target rate despite the lower exchange rate.

The latest [ANZ Job Advertisements](#), for March 2015, showed job advertisements fell 1.4% for the month, the first recorded fall following nine months of increased rises (seasonally adjusted) to be 9.3% higher over the year in trend terms.

International Trade in Goods and Services³ – February 2015, released 02/04/2015

The balance on goods and services remained steady (0.0%) to a deficit of \$0.992 billion in February 2015, an increase of \$1 million on the deficit in January 2015. Credits, or exports of goods and services, reported an increase in the month of \$209m (1.0%) to \$27.69 billion, while debits, or imports of goods and services, rose \$210m for the month (1.0%), to \$28.68 billion.

Queensland

Export data for Queensland shows that for February 2015, the value of Queensland exports decreased \$707.1 million to be \$44.6 billion over the year. Export of meat exports increased 24.4% or \$994.2 million while the biggest fall was recorded in the export of coal, decreasing 5.5% or \$1.059 billion for the twelve months from February 2014. However, coal remained Queensland's largest export commodity to be valued at \$18.32 billion for the year ending February 2015.

Retail Trade – February 2015,⁴ released 7 April 2015

National

Retail trade in Australia rose 0.3% in February, to be the fifth consecutive month of 0.3% growth for the nation. Over the year from February 2014, the Australian estimate of retail turnover increased 4.0%. In dollar terms at current prices, retail turnover at the national level increased from \$23.66 billion to \$23.98 billion for the month.

The top performing industries in retail turnover for the month (in current prices) were *Household goods retailing* (0.6%), *Cafes, restaurants and takeaway food services* (0.5%) and *Clothing, footwear and personal accessory retailing* (0.6%).

Queensland

In Queensland, the monthly estimated retail turnover increased by 0.6% in February 2015, to be the highest monthly growth of all states and territories and double the national increase in

³ Australian Bureau of Statistics, [International Trade in Goods and Services, Australia, Jan 2015](#), cat no. 5368.0, ABS, 2015

⁴ Australian Bureau of Statistics, [Retail Trade, Australia, Jan 2015](#), cat no.8501.0, ABS, 2015

retail turnover. In dollar terms, the Queensland nominal retail turnover was \$4.92 billion for the month, to be 2.5% higher for the twelve months from February 2014.

Cafes, restaurants and takeaway food services (0.14%), *Household goods retailing* (0.13%) and *Food retailing* (0.12%) showed the greatest increases for the month in Queensland.

Building Approvals - February 2015⁵ – released on 1 April 2015

National

Total dwelling units approved increased by 1.6% in February to number 18,673. Over the year from February 2014, the total dwelling approvals have increased 13.2%.

The estimated value of new residential building approved rose 2.1% in February, to \$5.64 billion.

Queensland

In Queensland, the estimated total dwelling unit approvals rose by 2.1% over the month of February 2015, to 3,595. The state total dwellings approved has increased 15.6% over the year since February 2014. The estimated value of new residential building approved rose 2.1% in February, to \$975.8 million.

Housing Finance, February 2015⁶ – released on 10 April 2015

National

The value of housing finance for total dwellings increased 0.8% nationally for the month of February 2015 to \$30.671 billion. The value of owner occupied housing commitments improved 1.0% to be valued at \$18.341 billion. Investment housing commitments (fixed loans only) increased 0.4% to be valued at \$12.330 billion.

Queensland

The value of housing finance commitments (owner occupied) for Queensland grew 0.2% at \$3.106 billion in February 2015. The largest falls were in the Northern Territory (-4.1%) and Western Australia (-0.7%), whilst the largest increases were in New South Wales (2.3%) and Victoria (1.5%).

Economic releases due out by 12 May 2015:

- Labour Force, Australia, Mar 2015 – scheduled for release on 16 April 2015
- Consumer Price Index, March 2015 – scheduled for release on 22 April 2015
- Building Approvals, Australia, March 2015 – scheduled for release on 4 May 2015
- International Trade, Australia, March 2015 – scheduled for release on 5 May 2015
- RBA – cash rate decision announcement –due for release on 5 May 2015
- Retail Trade, Australia, March 2015 – scheduled for release on 6 May 2015
- Labour Force, Australia, April 2015 – scheduled for release on 7 May 2015
- Housing Finance, Australia, March 2015 – scheduled for release on 12 May 2015

⁵ Australian Bureau of Statistics, [Building Approvals, Australia, Jan 2015](#), cat no.8731.0, ABS, 2015

⁶ Australian Bureau of Statistics, [Housing Finance, Australia, January 2015](#), cat no. 5609.0, ABS, 2014

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