



Economic Indicators: Queensland and Australia

As at 26 October 2015

Market Summary

The Reserve Bank of Australia (RBA) board voted to keep the cash rate at 2.0% at the October meeting, noting that while economic growth had been below longer-term averages for some time, employment had grown and the unemployment rate had been steady over the past year. The RBA suggested the economy was likely to operate with spare capacity for some time, helping to contain inflation.

The Australian dollar reached US\$0.7280 during the week, before closing out at US\$0.7254. The Australian All Ordinaries closed the week up at 5,310.08.

Declines in coal and lamb prices and the rural commodities sub-index contributed to the fall in the RBA [Index of Commodity Prices](#). Preliminary data for September show that the Index fell 1.0% (on a monthly average basis), after falling a revised 2.8% in August, to be 21.3% lower over the year in [SDR](#) terms, or 5.3% lower in Australian dollar terms.

Figure 1 shows the historical Index of Commodity Prices.

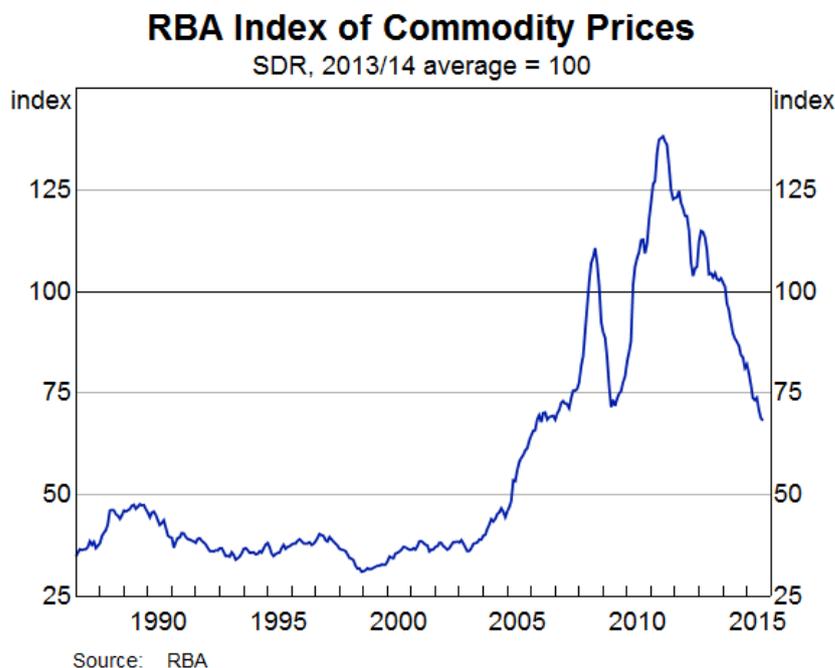


Figure 1: Index of commodity prices, September 2015

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Market Monitor

	Price (Week ending 23 Oct)
AUD\$/US\$	↑ \$0.7254
All Ord. Share Index	↑ 5,310.08
Cattle Futures (EYCI)	↓ 522.44 Ac/kg
Sugar (ICE No.11 Futures)	↑ 14.28 USc/lb
Cotton (No. 2 Futures)	↑ 64.07 USc/lb
Iron Ore 62% Fe	↓ 51.40 US\$/t
Mogas95[#]	↓ 63.17 US\$/bbl
Gold (week-end London PM Fix)	↑ 1,161.25 US\$/oz

Economic Indicators Summary: Latest Results ¹		
RBA Cash Rate (October 2015)	↔ at 2.00%	
Unemployment Rate (September 2015)	Qld ↓ at 6.3%	Aust ↔ at 6.2%
Participation Rate (September 2015)	Qld ↔ at 65.4%	Aust ↑ at 65.0%
International Trade (August 2015)	Trade Balance ↑ 1.0% at -\$3.250 billion Exports ↔ 0.0% at \$26.148 billion Imports ↔ 0.0% at \$29.398 billion	
Building Approvals (August 2015)	Qld ↓ 0.2%	Aust ↓ 0.7%
Retail Trade (August 2015)	Qld ↔ 0.0%	Aust ↑ 0.2%
Housing Finance (value)² (August 2015)	Qld ↑ 0.2% at \$3.244 billion	Aust ↑ 1.0% at \$20.017 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 (ABS) 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.

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NEW RELEASES THIS MONTH

Business and consumer confidence

Source	Change	Reasons for change (as noted in publication)
Westpac-Melbourne Institute Index of Consumer sentiment	Up 4.2% to 97.8 in October, from 93.9 in September Index has been under 100 for 18 of the last 20 months ³	Change of Prime Minister and the government's improved rating in the polls, but the rise was less than the Institute expected Other possible factors – recoveries in the AUS\$ and sharemarket; stronger than expected job growth
NAB Monthly Business Survey	Business confidence up 4 points to +5, more than undoing August's fall. However there were falls in confidence in mining, construction and finance Business conditions stayed at August's level of +9	Change of Prime Minister and lower concerns regarding financial market volatility and emerging markets Employment levels up, but trading conditions and profitability down NAB – the survey showed resilience in what appeared a non-mining sector-led recovery
Roy Morgan Research's Business Confidence	Up from 102.6 in August to 112.8 in September (9.9%)	Change of Prime Minister
ANZ-Roy Morgan Consumer Confidence	Fell 2.0% to 113.3 in week ending 20 October	Westpac's decision to increase its mortgage rates and news regarding a slowdown in the property market
ANZ job ads	Up 1.0% in September in trend terms. Ads have risen monthly since November 2013 and are up 10.5% over the year	-

Labour Force, Australia, September 2015 – released 15 October 2015⁴

National

The trend national unemployment rate remained at 6.2%. Unemployment rose by 3 900 persons compared with August, to 780 600 persons.

Employment rose in September by 0.1%, or 12 400 persons, to 11 775 800 persons. The participation rate was 65.0%, less than 0.1% higher compared to August, and 0.4% higher than a year ago.

Queensland

The trend unemployment rate was steady at 6.3% in September 2015, from a downwardly-revised August estimate, and 0.4% lower than the 6.7% recorded in September 2014.

³ When the index is below 100, more consumers are pessimistic than optimistic about the economy.

⁴ Australian Bureau of Statistics, [Labour Force, Australia, September 2015](#), cat no 6202.0, ABS, 2015.

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Employment rose by 4,000 (0.2%) in September to 2,351,100, while the participation rate remained at 65.4% for the month, below the 65.6% recorded a year ago.

International Trade in Goods and Services, Australia, August 2015, released 6 October 2015⁵

The deficit balance on goods and services fell in August by \$22 million (1.0%) to \$3.250 billion. Exports stayed steady at \$26.148 billion, an increase of \$123 million (0.0%) for the month, with imports also steady, increasing by \$101 million (0.0%) to \$29.398 billion.

Retail Trade – August 2015, released 2 October 2015⁶

National

Retail trade in Australia rose 0.2% in August, to \$24.389 billion⁷, following rises of 0.3% in July and June. For the year from August 2014, the national estimate of retail turnover increased 4.3%, or \$1.007 billion, from \$23.381 billion.

The top performing retail industries for August⁸ were *Other retailing* (0.5%), and *Cafes, restaurants, and takeaway food services* (0.4%).

Queensland

Monthly estimated retail turnover increased marginally to \$4.944 billion in August (0.03%), \$164.1 million (3.3%) higher than August 2014. *Other recreational goods retailing* (1.35%), and *Footwear and other personal accessory retailing* (1.13%) saw the biggest increases in retail turnover in August 2015. Seven of the 18 industries considered saw falls in spending, with the largest fall in *Newspaper and book retailing* (-1.51%).

The table below compares Queensland's retail growth in August with other states and territories.

NSW	Vic	WA	Tas	ACT	Qld	SA	NT
0.38%	0.30%	0.17%	0.08%	0.07%	0.03%	-0.03%	-0.08%

Building Approvals, August 2015 – released 30 September 2015⁹

National

Total dwelling units approved fell 0.7% in August to 18,965 and has fallen for five months. From August 2014, total dwelling approvals increased by 13.0%. The estimated value of new residential building approved rose 0.2%, to \$5.908 billion for August 2015.

⁵ Australian Bureau of Statistics, [International Trade in Goods and Services, Australia, August 2015](#), cat no 5368.0, ABS, 2015.

⁶ Australian Bureau of Statistics, [Retail Trade, Australia, August 2015](#), cat no 8501.0, ABS, 2015.

⁷ Estimated turnover at current prices.

⁸ In current prices.

⁹ Australian Bureau of Statistics, [Building Approvals, Australia, August 2015](#), cat no 8731.0, ABS, 2015.

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Queensland

Estimated total dwelling unit approvals fell 0.2% to 3,670. Total dwellings approved has increased 11.2% since August 2014. The estimated value of residential buildings approved in August 2015 decreased 1.0%, to \$1,020.5 billion.

Housing Finance, August 2015 – released 9 October 2015¹⁰

National

The value of housing finance for total dwellings increased 1.0% nationally for August to \$33.696 billion. The value of owner occupied housing commitments rose 1.9% to \$20.017 billion. Investment housing commitments fell 0.2% to \$13.679 billion for August 2015.

The number of owner occupied housing commitments rose by 0.5% in August 2015, to 54 546.

Queensland

The value of housing finance commitments (owner occupied) for Queensland increased 0.2% to \$3.244 billion in August 2015.

The change in the number of owner occupied housing commitments across the states and territories is in the table below.

NSW	SA	Vic	Tas	Qld	WA	ACT	NT
1.58%	0.40%	0.38%	0.34%	-0.29%	-0.31%	-1.21%	-3.77%

Economic releases due by 16 November 2015:

- Building Approvals, Australia, September 2015 – due for release on 2 November 2015
- RBA – cash rate decision announcement – due for release on 3 November 2015
- International Trade, Australia, September 2015 – due for release on 4 November 2015
- Retail Trade, Australia, September 2015 – due for release on 4 November 2015
- Housing Finance, Australia, September 2015 – due for release on 10 November 2015
- Labour Force, Australia, October 2015 – due for release on 12 November 2015

¹⁰ Australian Bureau of Statistics, [Housing Finance, Australia, August 2015](#), cat no 5609.0, ABS, 2015.

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QUEENSLAND PARLIAMENTARY SERVICE

Queensland Parliamentary Library & Research Service

Parliament House

Cnr George and Alice Streets Brisbane Qld 4000

Ph: 07 3553 6210 Fax: 07 3553 6201

mailto: library.inquiries@parliament.qld.gov.au

web: www.parliament.qld.gov.au

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