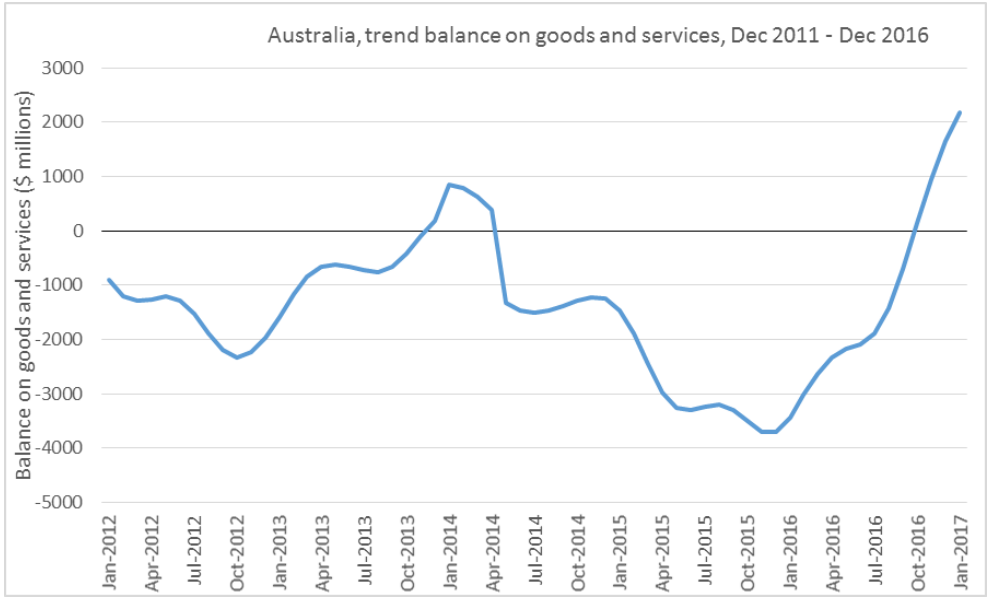
Economic Indicators: Queensland and Australia

As at 16 March 2017

This report presents some key headline economic indicators for Queensland and Australia over the past month. Key items to note:

- Queensland trend unemployment increased 0.1% to 6.4% in February 2017. In Australia, the unemployment rate remained steady at 5.8%.
- On 7 March 2017, the Reserve Bank of Australia (RBA) voted to leave the cash rate unchanged at the record low level of 1.5% for the seventh consecutive month. The reasons include improved global conditions, and increased business and consumer confidence.
- Australia's trade surplus remains strong, with the increase in the balance of goods and services recorded as 31% to $2176 million in January 2017. Trend data shows the recent trade surplus is the largest recorded in the past five years (Figure 1).
- Commodity prices have generally fallen over the week, including oil, iron ore and gold (Table 1). The Australian dollar also weakened, on the expectation of a rate rise by the United States Federal Reserve.

Figure 1. Balance on goods and services, Australia, trend, Dec 2011 – Dec 2016



Source: Australian Bureau of Statistics, *International Trade in Goods and Services, Australia, January 2017*, cat no 5368.0, ABS, 2017.

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International Trade, January 2017[1,2] (released 2 March 2017)

The Australian surplus balance on goods and services was 31% higher in January 2017, up $832 million to $2176 million. Exports increased by $996 million (3.0%) to $32 086 million. Imports increased $312 million (1.0%) to $29 910.

For the year ended January 2017, the value of Queensland exports increased $5.6 billion (11.5%) to $54.4 billion, compared with $14.2 billion (5.6%) to $261.1 billion for total Australian exports for the year.

Coal exports displayed the largest increase in the value of non-confidentialised, non-rural Queensland commodity exports, increasing $3.4 billion (19.2%) to $21 billion. Confidential exports, which include LNG, rose 39.6% for the year.

The Queensland non-confidentialised commodity export showing the largest fall was meat, falling $1 billion (-17.5%) for the year ending January 2017.

The following table shows the key commodity price movements for the week ending 10 March 2017.

Table 1 Commodity indicators (monthly falls indicated in red, rises in green) for week ending 10 March 2017.

	Unit	Price (week ending 10 March)
US$/AUD$*	US$/A$	0.76
All Ord. Share Index**		5811.16
Cattle Futures (EYCI)*	Ac/kg	615.0
Sugar (ICE No.11 Futures)*	USc/lb	19.0
Cotton (Cotlock 'A' Index)*	USc/lb	87.0
Iron Ore 62% Fe	$US/t	86.79
Mogas95#	$US/bbl	65.55
Gold (week-end London PM Fix)	$US/ounce	1202.65

* Australia, Department of Agriculture and Water Resources, ABARES, *Weekly Australian Climate Water and Agricultural Update*, 9 March 2017.

**ASX, All Ordinaries charting, 9 March 2017.

[1] Australian Bureau of Statistics, *International Trade in Goods and Services, Australia, January 2017,* cat no 5368.0, ABS, 2017.

[2] Queensland Government Statisticians Office, *Exports of Queensland goods overseas, January 2017*, based on data from Australian Bureau of Statistics, *International Trade in Goods and Services, Australia, January 2017,* cat no 5368.0, ABS, 2017.

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Business and consumer confidence

Source	Issue/Release date	Change	Reasons for change (as noted in publication)
Westpac Melbourne Institute Index of Consumer Sentiment	March 2017/ 15 March 2017	Consumer sentiment was broadly unchanged in January, rising 0.1% to 99.7 in March 2017 from 99.6 in February 2017.	Results show that the number of optimists equals the number of pessimists In terms of recall of news items, respondents mainly recalled news on 'economic conditions' (27.9%) and 'budget and taxation' (25.2%). In both categories, survey respondents saw the news as generally less unfavourable than in late 2016.
ANZ-Roy Morgan Consumer Confidence	Week ending 11 March/12 March 2017	Consumer confidence fell by 0.8% in the week to 113.1, and is marginally lower than the four-week average (115.0).	Analaysis showed that while households' views towards current finances increased 3.1%, their views about future finances decreased 3.4%, to be at its lowest level since October 2016. However, households' views about current and future finances remain above their long-term averages.
ANZ job ads	February 2017/ 6 March 2017	Job advertisements rose 0.4% in February, slightly lower than the six month average of 0.6%. In trend terms, job adverts rose at an annual rate of 6.6%.	The moderate job advert growth for February 2017 follows strong results in January and can be seen as the result of seasonal adjustment for this time of year.
NAB Monthly Business Survey	February 2017/ 14 March 2017	Business confidence fell 3 points from the strong gains witnessed in January 2017, to +7 index points. The fall continued in business conditions, reducing by 7 points to +9. Trading conditions dipped 10 points to +13 and profitability fell two points to +11. The index of employment conditions remains relatively weak, falling 2 points to +5 in February 2017.	The gains made in January 2017 have pulled back in February 2017, with temporary factors causing the spike in the previous month's business conditions and confidence. The 3 point fall in business confidence remains above the series long-run average and reflects a largely upbeat business sentiment. Despite the falls across all components of the business conditions index (trading conditions/sales, profitability and employment), business conditions remain above the series long-run average.

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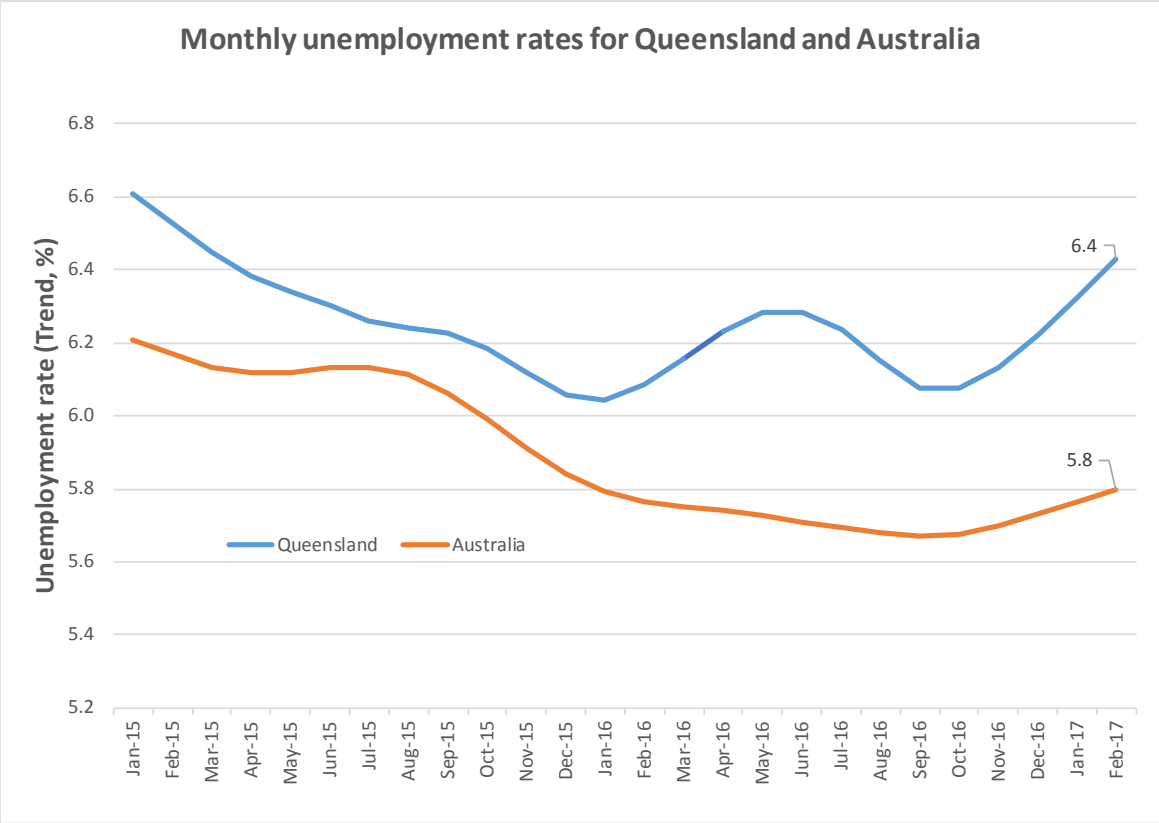
Labour Force, February 2017[3] (released 16 March 2017)



Source: Prepared by Parliamentary Library from ABS data

Queensland trend unemployment increased 0.1% to 6.4% in February 2017. The total number of employed persons rose by 1500 to 2 346 800 persons. The number of unemployed persons increased 2800 to 161 200 persons. The participation rate* remained steady at 64.1%, for the third consecutive month and has declined by 1.4% in the year.

Australian trend unemployment remained steady at 5.8% in February 2017, following a revised January 2017 estimate. Employment increased 11 600 persons to 12 005 000 persons. Monthly unemployment increased by 5200 persons to 738 900. The national participation rate remained steady at 64.6%, to be 0.4% lower than in February 2016.

	Unemployment rate (%)
NSW	5.2%
VIC	6.0%
QLD	6.4%
SA	6.6%
WA	6.4%
TAS	5.8%
NT	3.5%
ACT	3.8%
Australia	**5.8%**

[3] Australian Bureau of Statistics, *Labour Force, Australia, February 2016*, cat no 6202.0, ABS, 2017.

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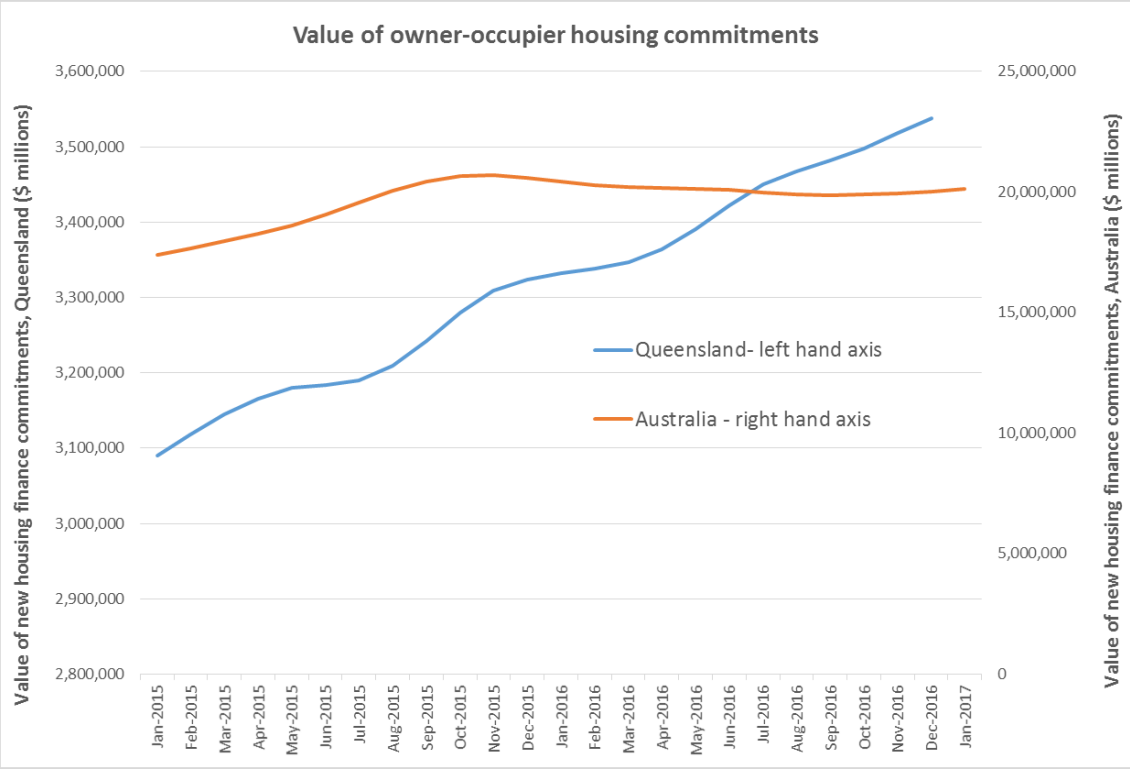
Housing Finance, January 2017[4] (released 10 March 2017)



Source: Prepared by Parliamentary Library from ABS data

In Queensland, the value of owner occupied housing commitments rose 0.7% to $3559 million in January 2017.

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

NSW	0.8%
VIC	1.0%
QLD	0.7%
SA	-0.4%
WA	-1.1%
TAS	-0.7%
NT	-0.6%
ACT	2.7%
Australia	**0.6%**

In Australia, the total value of owner occupied housing commitments rose 0.5% to $20 124 million in January 2017. The total value of investment housing commitments (fixed loans) increased 1.9% to $13 606 million.

The number of owner occupied housing commitments increased 0.6% to 54 953 for January 2017.

[4] Australian Bureau of Statistics, *Housing Finance, Australia, January 2017,* cat no 5609.0, ABS, 2017.

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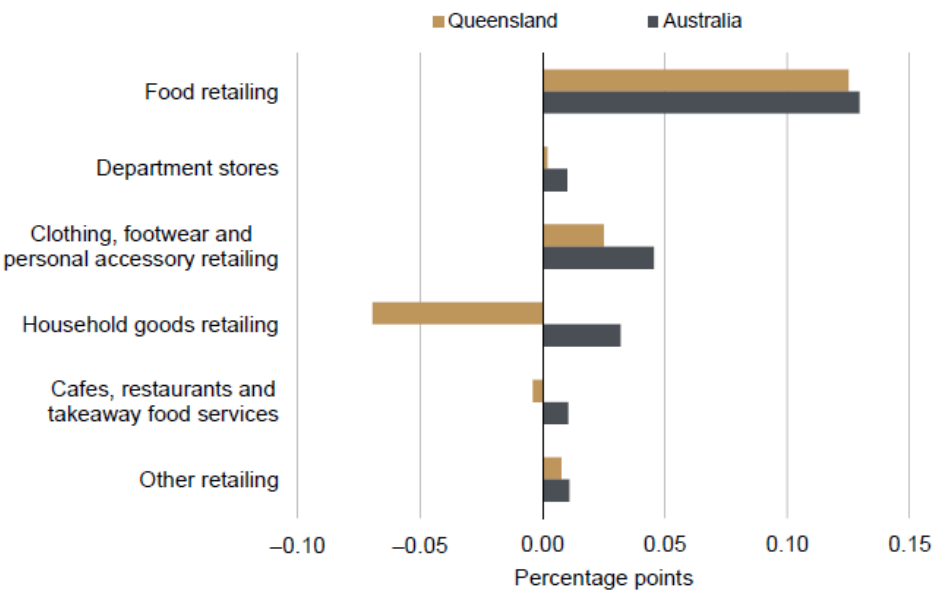
Retail Trade, January 2016[5] (released 6 March 2017)

Figure 3 Monthly retail turnover contribution to growth by industry group, January 2017



Source: Queensland Government Statistician's Office

Monthly estimated retail turnover in Queensland increased 0.1%, to be valued at an estimated $5198 million in January 2017. This was $181 million (3.6%) higher than in January 2016. Retail trade in Australia rose 0.2% for the month to $25.742 billion. The national estimate of retail turnover increased 3.2%, or $792.4 million for the twelve months from January 2016.

In January 2017, *Food retailing* continued to provide the greatest contribution to monthly growth in Queensland (see Figure), followed by *Clothing, footwear and personal accessory retailing*. Australia repeated the Queensland trend, with *Food retailing* providing the greatest contribution to monthly growth.

The table below compares monthly trend retail growth:

NSW	0.2%
VIC	0.4%
QLD	0.1%
SA	0.3%
WA	0.1%
TAS	0.3%
NT	0.3%
ACT	0.1%
Australia	**0.2%**

[5] Australian Bureau of Statistics, *Retail Trade, Australia, January 2017*, cat no 8501.0, ABS, 2017.

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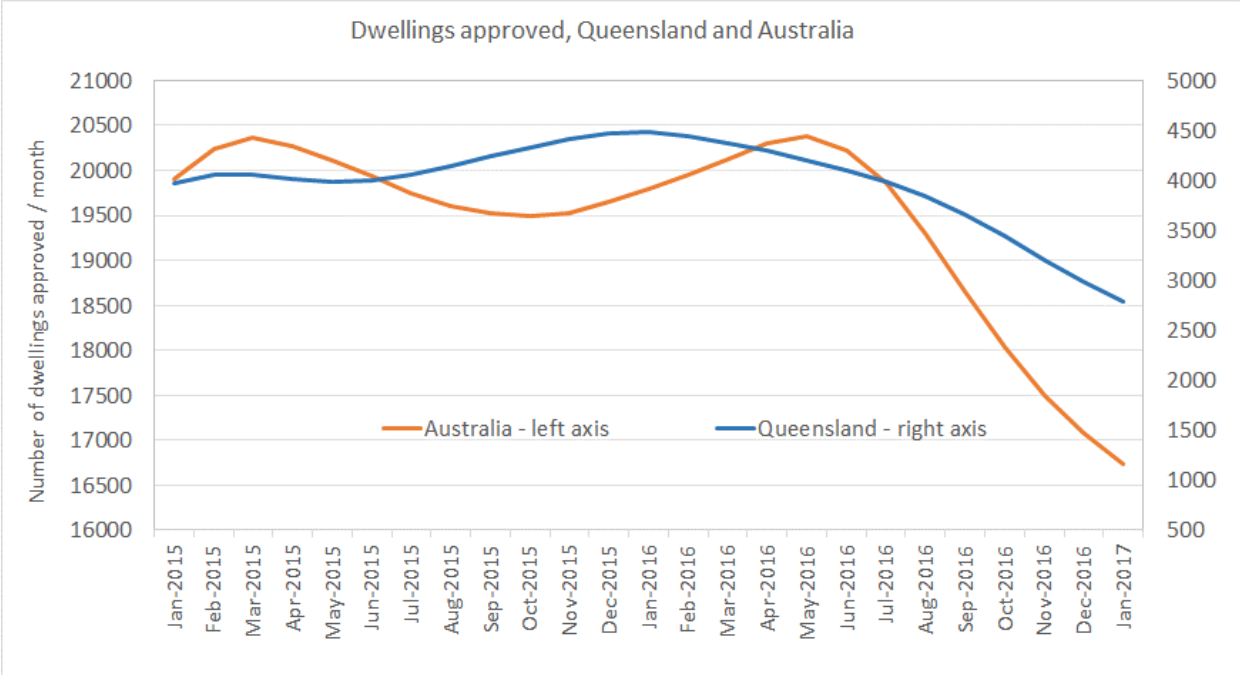
Building Approvals, January 2017[6] (released 2 March 2017)



Source: Prepared by Parliamentary Library from ABS data

In Queensland, dwelling unit approvals fell to 2782 (-6.8%) for the month of January 2017, to be down -38.0% for the year, while the estimated value of residential buildings approved in January 2017 fell 5.0% to be valued at $864.9 million.

In Australia, monthly dwelling unit approvals fell -2.1%, to 16728, to be -15.5% lower than one year ago. The estimated value of new residential buildings fell 0.9% to $5646 million for the month of January 2017.

[6] Australian Bureau of Statistics, *Building Approvals, Australia, January 2017*, cat no 8731.0, ABS, 2017.

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