



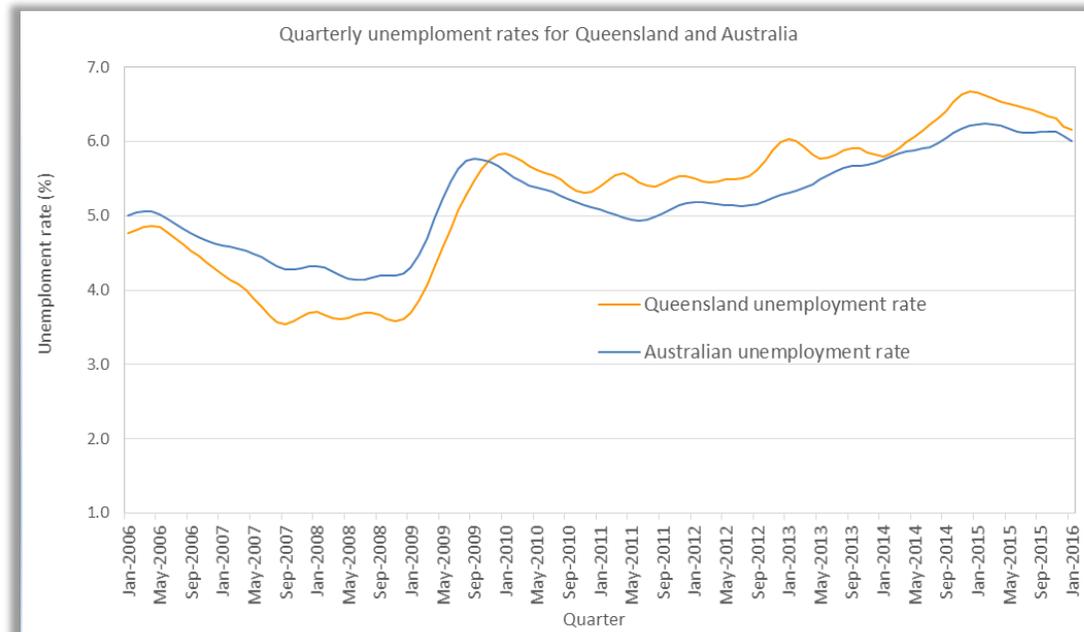
Economic News: Queensland and Australia

As at 22 February 2016

This report presents some key headline economic indicators for Queensland and Australia. Key items to note this month were:

- Trend unemployment remained unchanged at 6.1% for Queensland and 5.8% for Australia in January 2016.
- Share market volatility has continued over the month. Oil prices increased marginally for the week, but have decreased 8% over the month.
- Queensland Retail trade data for December 2015 showed an increase of 0.3% in trend terms, to be valued at \$4.992 billion, with a similar increase of 0.3% (to \$24.783 billion) recorded for Australia.

Quarterly unemployment rates for Qld and Australia, 2006–2016



Useful?



Business and consumer confidence

Source	Issue/Release date	Change	Reasons for change (as noted in publication)
Westpac-Melbourne Institute Index of Consumer sentiment	February 2016 / 10 February 2016	Increased by 4.2% in February to 101.3 points, recovering ground lost in January 2016.	Respondents to the survey were optimistic following an end to the steep declines in oil prices and share markets witnessed in January, despite continued volatility over the survey period. Households are benefiting from lower petrol prices at the bowlers, providing increasing disposable income.
Roy Morgan Research's Business Confidence	January 2016 / 29 January 2016	Business confidence fell 3.9 points in January, a fall of 3.4% to 110.6. Over the past three months, falls of 8.7 points (down 7.3%) have been recorded, to be below the five-year average of 116.8.	Negative global economic conditions and a deterioration in the outlook for the Australian economy have outweighed the positive business confidence boost provided by the appointment of the new Prime Minister last September. While business confidence has declined over the past three months, it is still 7.8% above the level prior to the appointment of Malcolm Turnbull. Business confidence remains fragile and easily impacted.
ANZ-Roy Morgan Consumer Confidence	15 February 2016 / 15 February 2016	Consumer confidence increased 2.0% to 113.6 over the week.	Consumer confidence in their own private financial situation remains positive, increasing 1.2% compared to one year ago. Views towards the short term economic outlook bounced 4.6%, with views towards the longer, five-year economic outlook increasing 1.6%, following the ruling out of an increase to the GST by the Prime Minister.
ANZ job ads	January 2015 / 8 February 2016	Up 0.6% in January in trend terms, to be 11.2% higher over the year.	The prediction is for slower jobs creation growth in 2016 after the highs experienced last year, with the key reasons provided as follows: domestic and global economic issues, tightening global financial conditions as well as uncertainty surrounding the Australian federal election expected in 2016.
NAB Business Survey	January 2016 / 9 February 2016	The NAB Business Confidence index remained unchanged at +2 points in January. Business Conditions fell 1 point to +5 points.	Despite volatility in equity and financial markets, business confidence remains optimistic. Domestic fundamentals remain reasonably good, with the drag coming from the international environment. Business conditions in mining have deteriorated and are impacting the mining states, with conditions outside of mining remaining mixed.

International Trade, December 2015¹ (released 3 February 2016)

The deficit balance on goods and services increased in December by \$168 million (5.0%) to \$3 313 million. Exports fell to \$25 934 million, a \$318 million (1.0%) decrease for the month, with imports falling \$151 million (1.0%) to \$29 247 million.

The value of Queensland exports increased \$5 579 million (12.6%) over the year to December 2015, to be \$49 686 million, in nominal values, subject to revision. China continued to be Queensland's largest export destination over the year to December 2015, with \$11 874 million in exports.

Commodity prices – brief commentary

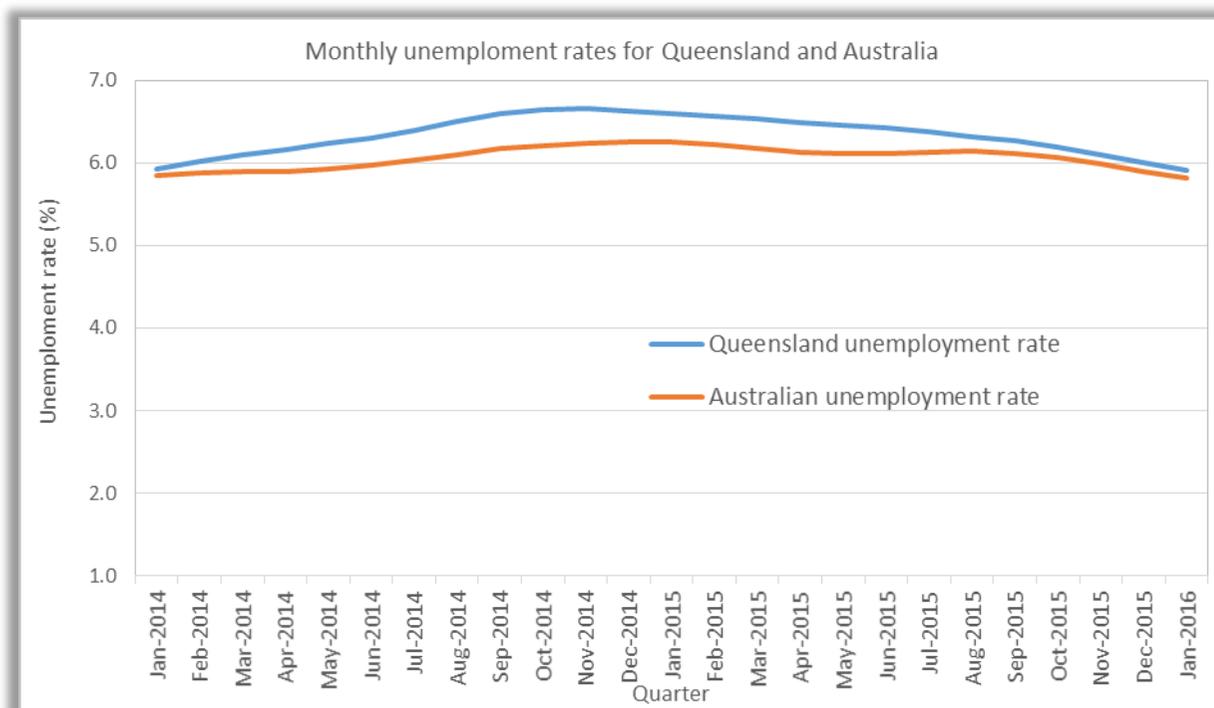
- Commodity prices rallied over the past week, with oil in particular gaining ground, the result of an in-principle agreement by several large oil producing nations to freeze production. However, this did not mean a cut in production, and there are still large inventories of crude oil and petrol in the US.
- Gold closed out the week stronger, following earlier falls, although the gains from last week were not replicated.
- The iron ore price increased to its highest level since November 2015, possibly as a result of Chinese steel production ramping up following the week-long Chinese lunar New Year holiday.

Table 1 Commodity indicators (monthly falls indicated in red, rises in green) for week ending 19 February 2016

	Unit	Price (week ending 19 February)
US\$/AUD\$	US\$/A\$	0.7132
All Ord. Share Index		4,969.17
Cattle Futures (EYCI)	Ac/kg	603.31
Sugar (ICE No.11 Futures)	USc/lb	12.92
Cotton (No. 2 Futures)	USc/lb	60.50
Iron Ore 62% Fe	\$US/t	46.80
Mogas95#	\$US/bbl	43.98
Gold (week-end London PM Fix)	\$US/ounce	1231.15

¹ Australian Bureau of Statistics, [International Trade in Goods and Services, December 2015](#), cat no 5368.0, ABS, 2015.

Labour Force, January 2016²



Source: Prepared by Parliamentary Library from ABS data, released 18 February 2016

[CLICK HERE to check out an interactive map of unemployment across electorates](#)

Queensland trend unemployment remained unchanged at 6.1%. Employment rose by 6 800 (0.3%), to 2 386 600. The participation rate* rose 0.1% to 66.0%, above the 65.2% recorded a year ago. Other states' and territories' trend unemployment rates are shown in the table below.

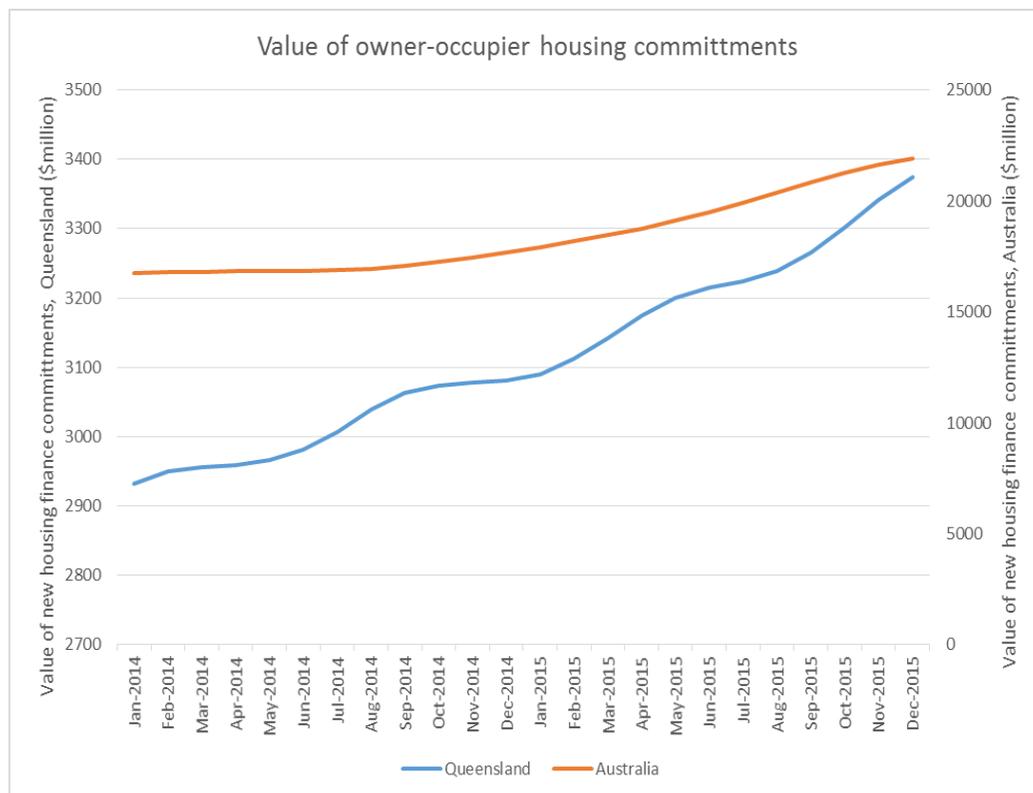
Australian trend unemployment fell by less than 0.1% to 5.8% (rounded down from 5.9%). Monthly unemployment fell by 4 300, to 739 400. Employment rose by 19 800 (0.3%) to 11 909 900. The national participation rate remained at 65.2%, to be 0.5% higher than a year ago.

	Unemployment rate (%)
NSW	5.2%
VIC	6.1%
SA	6.9%
WA	6.2%
TAS	6.6%
NT	4.0%
ACT	4.9%
Australia	5.8%

* The number of employed and unemployed divided by the total working age population

² Australian Bureau of Statistics, [Labour Force, Australia, January 2016](#), cat no 6202.0, ABS, 2016.

Housing finance, December 2015³ (released 12 February 2016)



Source: Prepared by Parliamentary Library from ABS data

In Queensland, the value of housing finance commitments (owner occupied) for Queensland increased 1.0% to \$3 375 million in December 2015. The change in the value of owner occupied housing commitments across the states and territories is in the table below.

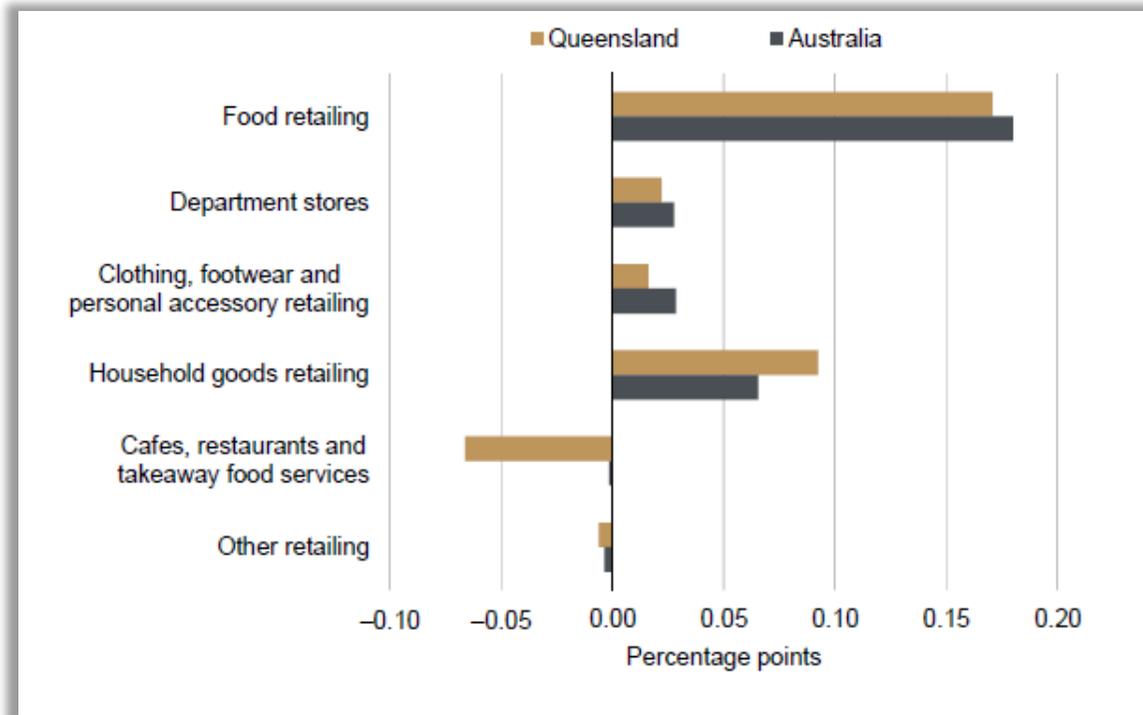
NSW	0.7%
VIC	1.6%
QLD	1.0%
SA	0.9%
WA	-0.5%
TAS	2.4%
NT	-2.8%
ACT	2.5%
Australia	1.7%

In Australia, The value of housing finance for total dwellings remained flat (0.0%) for December 2015, to be valued at \$33 286 million. The value of owner occupied housing commitments rose 1.3% over the month to \$21 902 million. Investment housing commitments fell 2.4% to \$11 383 million.

The number of owner occupied housing commitments rose 1.1% to 57 713 in December 2015.

³ Australian Bureau of Statistics, [Housing Finance, Australia, December 2015](#), cat no 5609.0, ABS, 2016.

Retail Trade, December 2015⁴ (released 5 February 2016)



Source: Queensland Government Statistician's Office

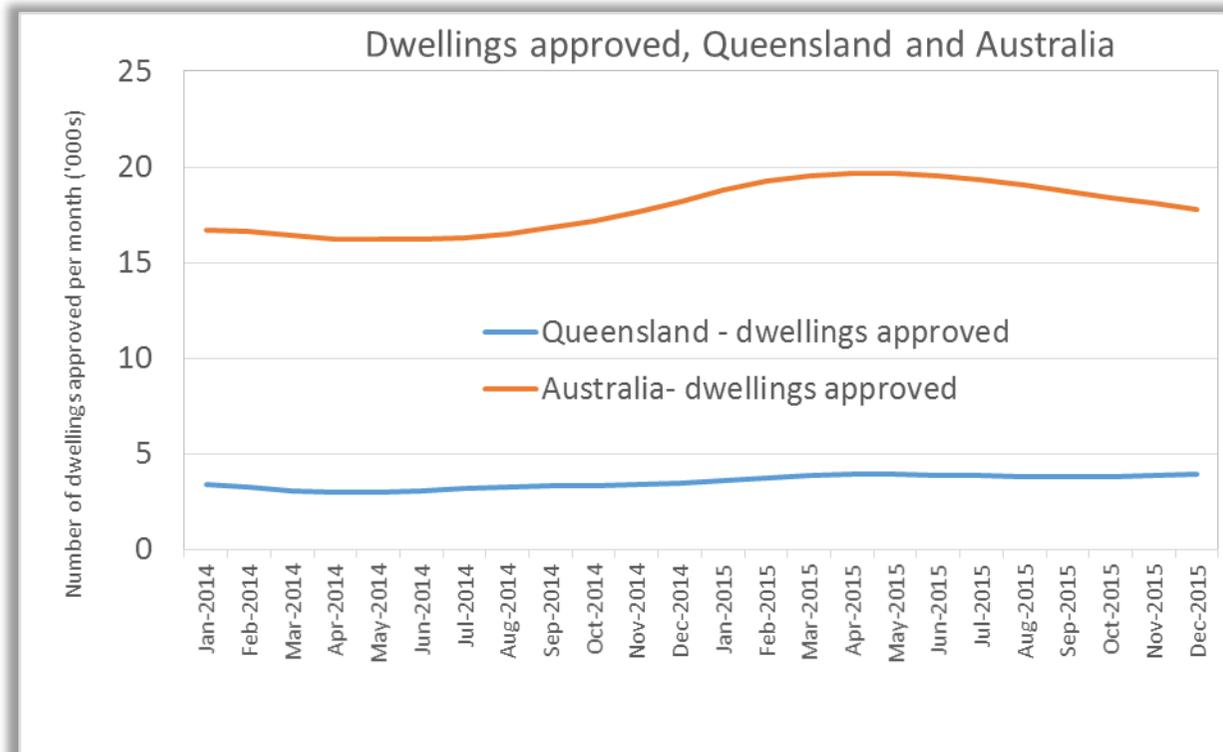
In Queensland, subdued retail growth continued in December, with monthly estimated retail turnover increasing by 0.3% to be valued at an estimated \$4 992 million. This was \$122.2 million (2.6%) higher than the \$4 867 million recorded one year ago. Retail trade in Australia rose 0.3% in December, to \$24 783 million. For the year from November 2014, the national estimate of retail turnover increased 4.0%, or \$958.6 million.

Food retailing and Household goods retailing showed the greatest growth both in Queensland and nationally (see Figure). The table below compares the states' trend retail growth:

NSW	0.3%
VIC	0.4%
QLD	0.3%
SA	0.3%
WA	0.0%
TAS	0.3%
NT	0.2%
ACT	0.8%
Australia	0.3%

⁴ Australian Bureau of Statistics, [Retail Trade, Australia, December 2015](#), cat no 8501.0, ABS, 2016.

Building Approvals, December 2015⁵ (released 3 February 2016)



In Queensland, dwelling unit approvals rose to 3 956 (1.1%), and has risen for four months, while the estimated value of residential buildings approved in December increased to \$1 121 million (1.8%). For the year from December 2014, Queensland total dwelling unit approvals increased 10.0%.

In Australia, dwelling unit approvals fell for the eighth consecutive month, to 18 161 (-0.1%), to be -3.0% lower for the year from December 2014. The estimated value of new residential buildings rose 0.2% for the month, to \$5 734 million.

Source: Prepared by Parliamentary Library from ABS data

⁵ Australian Bureau of Statistics, [Building Approvals, Australia, December 2015](#), cat no 8731.0, ABS, 2016.

Please contact us if you would like further information on any economic issues.

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