



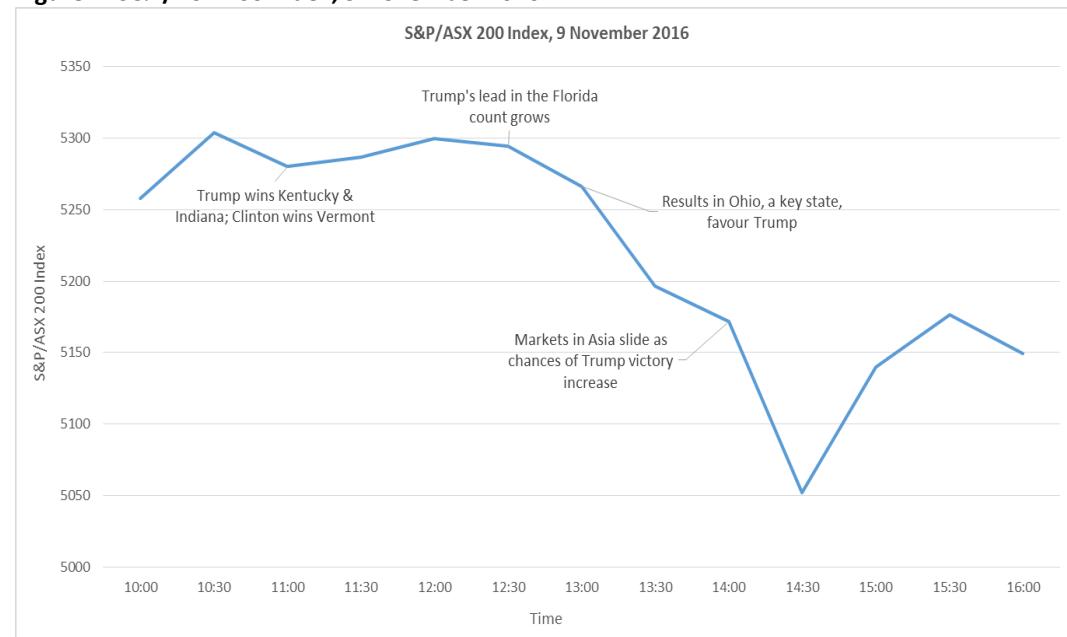
# Economic Indicators: Queensland and Australia

As at 17 November 2016

This report presents some key headline economic indicators for Queensland and Australia. Items to note for the previous month were:

- The Reserve Bank of Australia (RBA) voted at its 1 November meeting to leave the cash rate unchanged at the record low level of 1.5%.
- The Queensland trend unemployment rate fell 0.1% in October 2016 to 6.0%. The national unemployment rate remained steady at 5.6%, to be 0.4% lower than in October 2015. Participation rates continue to fall at the state and national level.
- Donald Trump's election as the 45<sup>th</sup> President of the United States of America had a dramatic impact on the markets (Figure 1). The ASX 200 fell 1.9% on 9 November before recovering all losses the following day in the best session for the Australian share market since 2011.

**Figure 1. S&P/ASX 200 Index, 9 November 2016**



Source: Compiled by Parliamentary Library from ASX data

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## International Trade, September 2016<sup>1</sup>

(released 3 November 2016)

The deficit balance on goods and services was 7% lower in September 2016, down \$127 million to \$1784 million.

Exports increased by \$157 million (1.0%) to \$27 020 million. Imports increased \$31 million (0.1%) to \$28 804 million for the month.

The value of Queensland exports decreased \$937 million million (-1.9%) over the year to September 2016, to be \$47 438 million in nominal values, subject to revision.

Revenue from coal remained the largest non-confidentialised export earner for the year to September 2016, with \$16 211 million, despite suffering the largest decrease (-\$2427 million). China continued to be Queensland's largest export destination, with \$11 203 million in exports, despite a fall of \$529 million (-4.5%) over the 12 months to September 2016.

Australia's value of exports decreased by \$12 211 million (-4.8%) over the year from September 2015 to be valued at \$242 030 million, in nominal values.

The following table shows the key commodity price movements for the week ending 11 November 2016.

*Table 1 Commodity indicators (monthly falls indicated in red, rises in green) for week ending 11 November 2016*

	Unit	Price (week ending 11 November)
<a href="#">US\$/AUD\$</a>	US\$/A\$	<b>0.7650</b>
<a href="#">All Ord. Share Index</a>		<b>5353.38</b>
<a href="#">Cattle Futures (EYCI)</a>	Ac/kg	<b>655.88</b>
<a href="#">Sugar (ICE No.11 Futures)</a>	USc/lb	<b>21.94</b>
<a href="#">Cotton (No. 2 Futures)</a>	USc/lb	<b>70.02</b>
<a href="#">Iron Ore 62% Fe</a>	\$US/t	<b>74.20</b>
<a href="#">Mogas95#</a>	\$US/bbl	<b>58.35</b>
<a href="#">Gold (week-end London PM Fix)</a>	\$US/ounce	<b>1236.45</b>

<sup>1</sup> Australian Bureau of Statistics, [International Trade in Goods and Services, Australia, Sep 2016](#), cat no 5368.0, ABS, 2016.

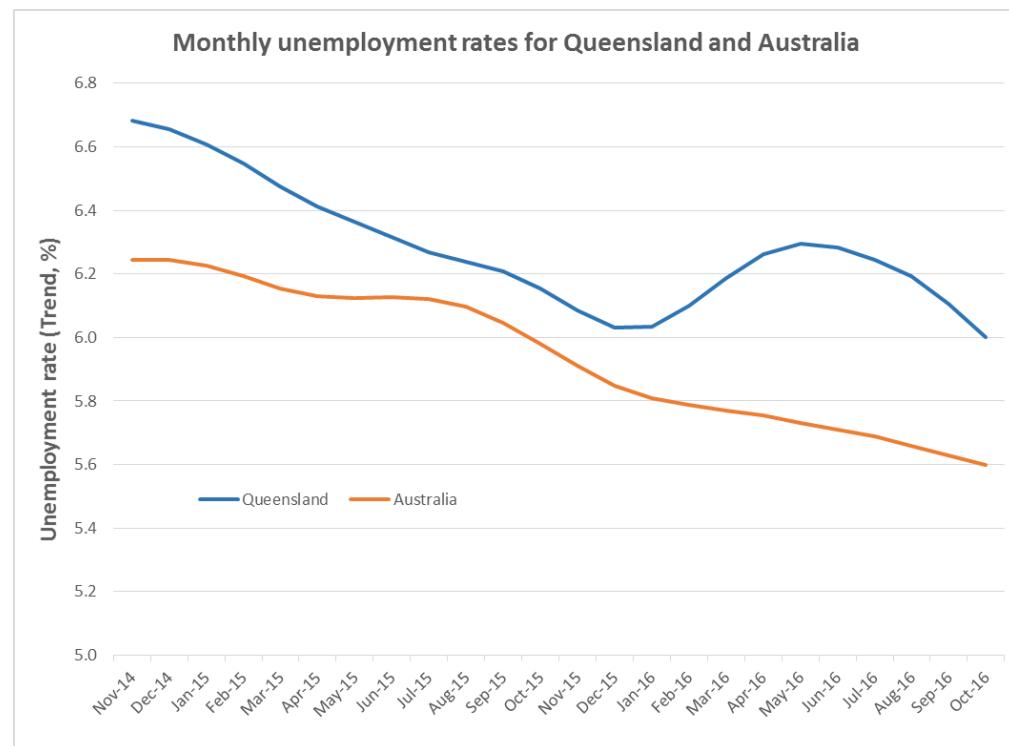
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## Business and consumer confidence

Source	Issue/Release date	Change	Reasons for change (as noted in publication)
<a href="#">Westpac-Melbourne Institute Index of Consumer sentiment</a>	November 2016/ 11 November 2016	Down 1.1% from 102.4 to 101.3 index points, a reversal of the previous month's rise of 1.1%	Stable consumer sentiment continues this month, with the past six months showing a tight 3.3% range. Compared with average sentiment over the comparable six month period in 2015, the index is notably higher (4.7%). The index trends follow mixed market indicators, including weakness in the share market, a surge in coking coal prices, weak annual jobs growth and the unchanged cash rate.
<a href="#">ANZ-Roy Morgan Consumer Confidence</a>	Week ending 12 November/13 November 2016	Consumer confidence rating for the week increased 0.3 points to 118.2, to be higher than the four-week average (115.9).	Confidence remained steady following the US election result. Households' views on economic conditions in the next 12 months continued to improve, though views on household finances fell 1.2%.
<a href="#">ANZ job ads</a>	October 2016/ 7 November 2016	In trend terms, jobs ads rose 0.4% in October, slightly lower than the 0.5% increase in September.	Labour market conditions are improving slowly, coinciding with moderate economic growth and above average business and consumer sentiment. The unemployment rate is expected to edge lower, due to low interest rates and good business conditions.
<a href="#">NAB Monthly Business Survey</a>	October 2016/ 8 November 2016	The business confidence index moderated in October, falling by 2 index points to +4. The index has now fallen below the long-run average (+6). The business conditions index also fell by 2 points to +6. By component, trading and employment conditions fell respectively by 6 points to +11 and 1 point to 0.	The recent moderation of survey indicators is a concerning trend, though the deterioration in conditions is not significant enough to require a change in outlook. Should recent trends continue, this would suggest the non-mining sector recovery would be weakening earlier than expected. NAB is more concerned than the RBA about the near term outlook. Australia's economy is expected to slow in 2018 as impetus from growth drivers fades.

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## Labour Force, October 2016 (released 17 November 2016)<sup>2</sup>



Source: Prepared by Parliamentary Library from [ABS data](#)

[Click here for electorate level unemployment data for the June quarter 2016](#)

Queensland trend unemployment was 6.0% in October 2016, down 0.1% from 6.1% in September. Employment fell 5500 to 2 333 300 persons. The number of unemployed persons declined by 2800 to 148 400 persons. The participation rate\* fell 0.2% to 63.8%, and has now declined by 1.9% in the past twelve months.

Australian trend unemployment remained at 5.6%. Monthly unemployment fell 4100 persons to 708 600. Employment fell by 1000 to 11 946 600. The national participation rate declined 0.1% to 64.5%, 0.6% lower than in October 2015.

### Unemployment rate (%)

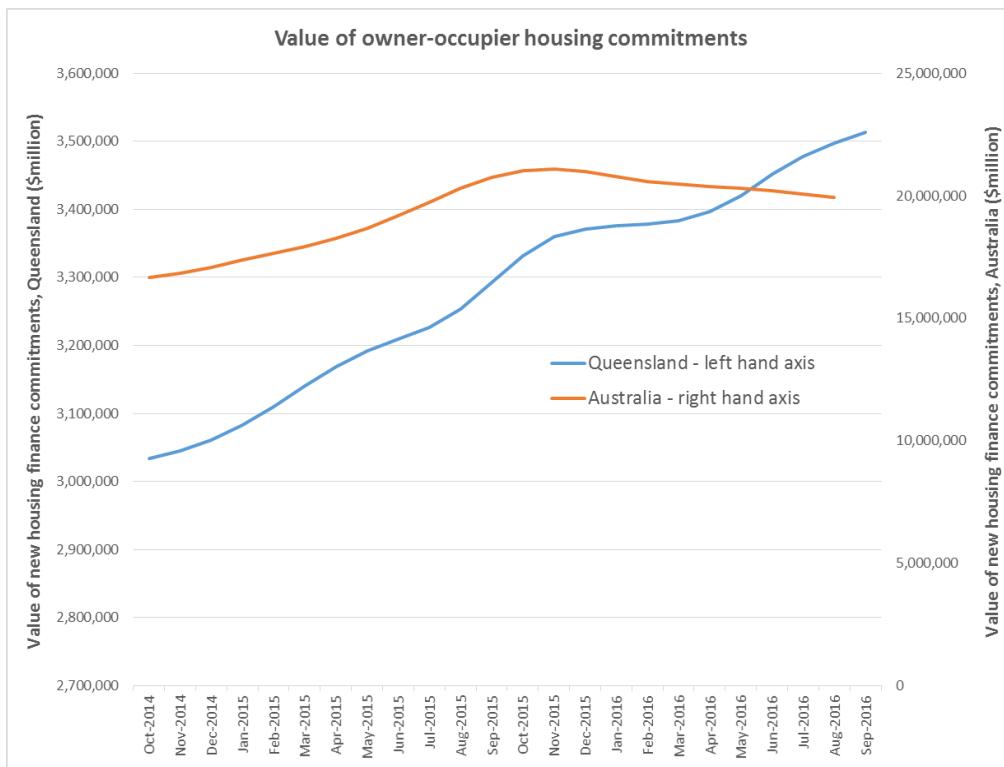
NSW	4.9%
VIC	5.7%
QLD	6.0%
SA	6.6%
WA	6.4%
TAS	6.7%
NT	3.5%
ACT	3.4%
<b>Australia</b>	<b>5.6%</b>

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

<sup>2</sup> Australian Bureau of Statistics, [Labour Force, Australia, Oct 2016](#), cat no 6202.0, ABS, 2016.

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## Housing Finance, September 2016<sup>3</sup> (released 10 November 2016)



Source: Prepared by Parliamentary Library from ABS data

In Queensland, the value of owner occupied housing commitments rose 0.4% to \$3513 million in September 2016.

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

NSW	-0.5%
VIC	-0.7%
QLD	0.4%
SA	0.0%
WA	-0.2%
TAS	1.3%
NT	-2.2%
ACT	-3.5%
<b>Australia</b>	<b>-0.5%</b>

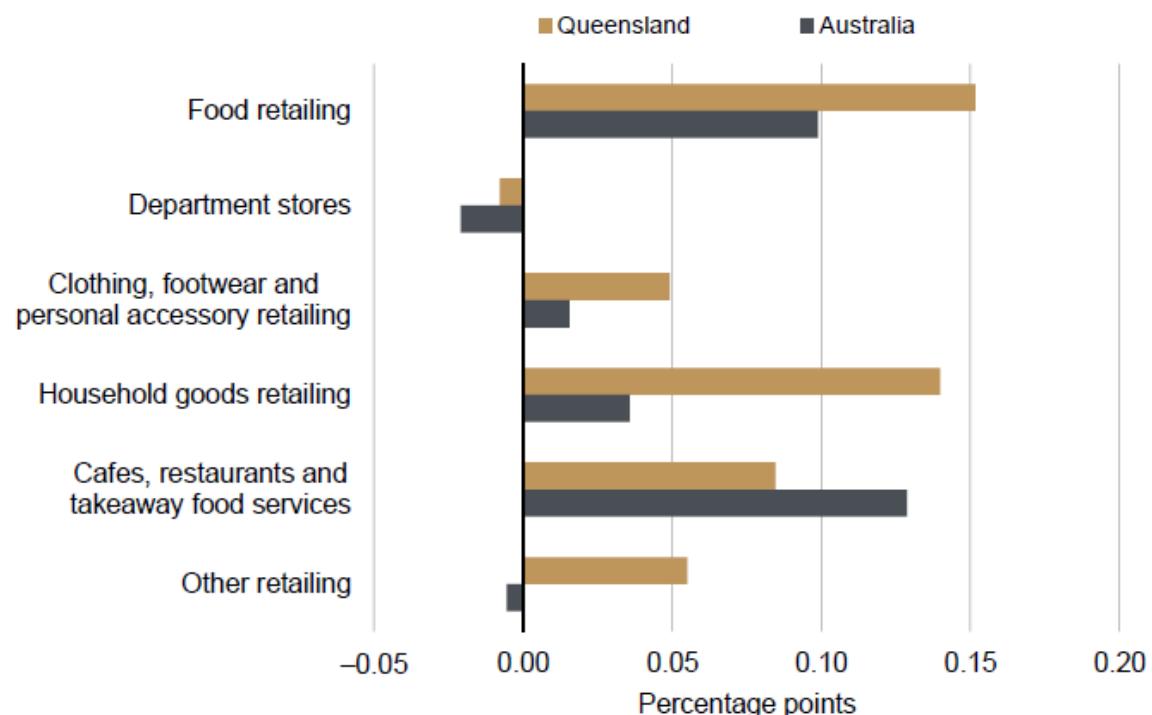
In Australia, the total value of owner occupied housing commitments fell 0.5% to \$19 847 million in September 2016. The total value of investment housing commitments (fixed loans) rose 1.3% to \$12 217 million.

The number of owner occupied housing commitments decreased 1.0% to 54 313.

<sup>3</sup> Australian Bureau of Statistics, [Housing Finance, Australia, Sep 2016](#), cat no 5609.0, ABS, 2016.

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## Retail Trade, September 2016<sup>4</sup> (released 4 November 2016)



Source: Queensland Government Statistician's Office

Monthly estimated retail turnover in Queensland increased 0.6%, to be valued at an estimated \$5105.5 million in September 2016. This was \$154 million (3.1%) higher than in September 2015. Retail trade in Australia rose 0.2% in September to \$25 223.4 million. For the year from September 2015, the national estimate of retail turnover increased 2.8%, or \$675.1 million.

*Food retailing* had the greatest contribution to monthly growth in Queensland (see Figure), while nationally *Cafes, restaurants and takeaway food services* contributed the most to retail growth.

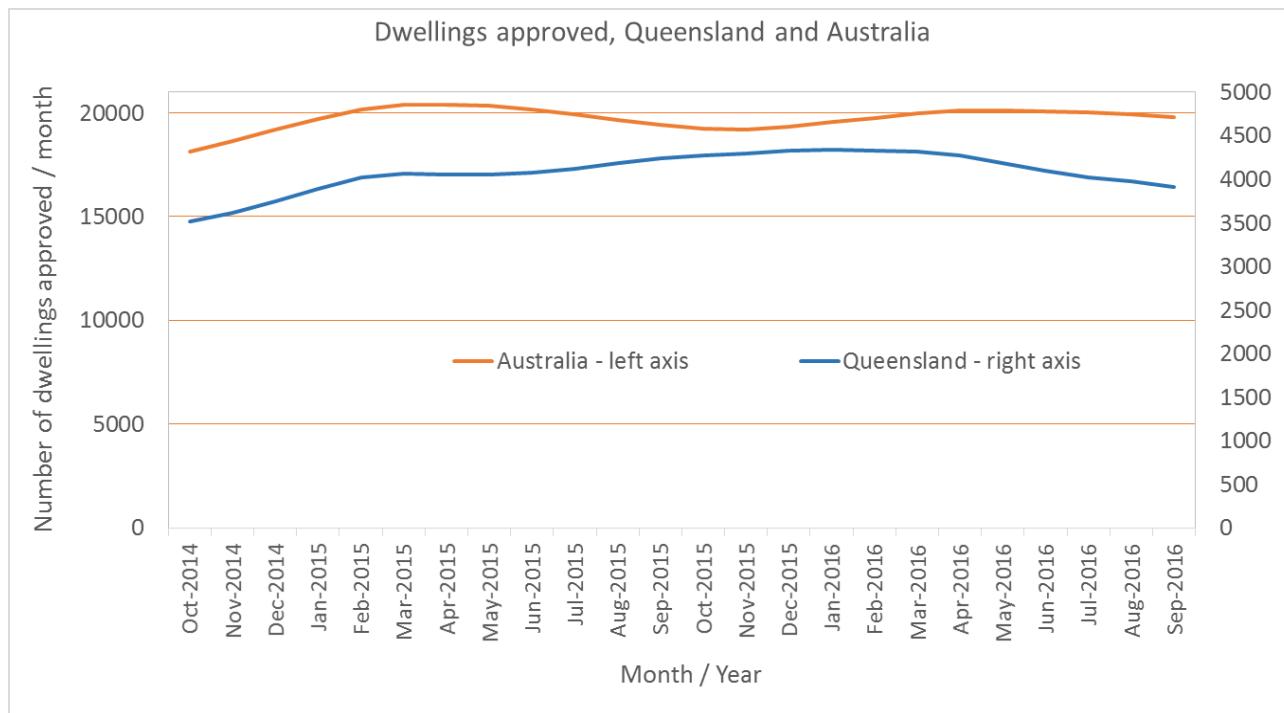
The table below compares monthly trend retail growth:

NSW	0.2%
VIC	0.2%
QLD	0.6%
SA	0.3%
WA	-0.1%
TAS	0.1%
NT	-0.1%
ACT	0.4%
<b>Australia</b>	<b>0.2%</b>

<sup>4</sup> Australian Bureau of Statistics, [Retail Trade, Australia, Sep 2016](#), cat no 8501.0, ABS, 2016.

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## Building approvals, September 2016<sup>5</sup> (released 2 November 2016)



Source: Prepared by Parliamentary Library from ABS data

In Queensland, dwelling unit approvals fell to 3910 (1.6%) for the month of September 2016, to be down 7.7% for the year, while the estimated value of residential buildings approved in September 2016 fell 1.6% to be valued at \$1141.7 million.

In Australia, monthly dwelling unit approvals fell 0.6%, to 19 817, but have grown 2.1% since September 2015. The estimated value of residential buildings fell 0.1% to \$6427.5 million.

<sup>5</sup> Australian Bureau of Statistics, [Building Approvals, Australia, Sep 2016](#), cat no 8731.0, ABS, 2016.

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