



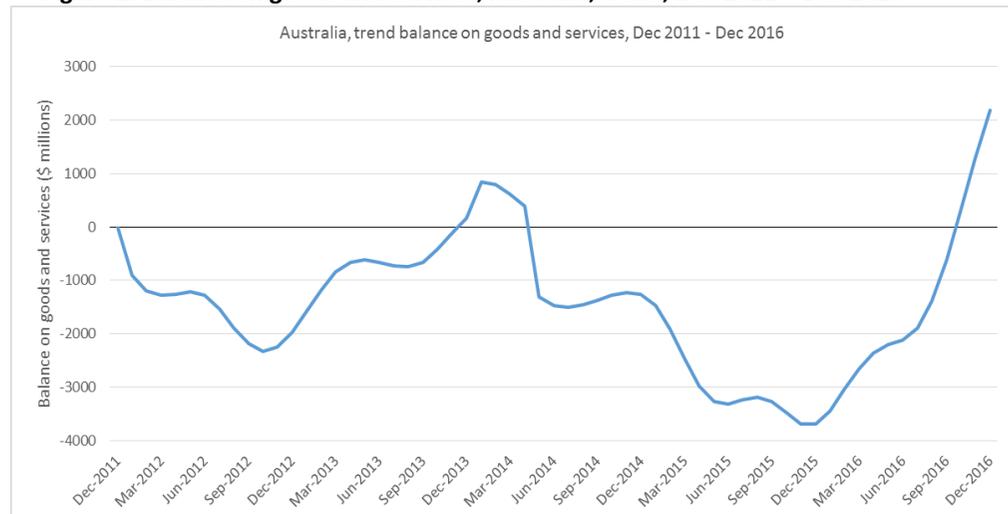
Economic Indicators: Queensland and Australia

As at 13 February 2017

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

- At its first meeting for the year, the Reserve Bank of Australia (RBA) voted to leave the cash rate unchanged at the record low level of 1.5% for the sixth consecutive month. The RBA cited improved global conditions and expects the Australian economy to grow by around 3% over the next two years.
- An increase in Australia's trade surplus indicates the economy will avoid a technical recession when GDP figures for the December quarter are released in March. Trend data shows the recent trade surplus is the largest recorded in the past five years (Figure 1).
- Commodity indicators have shown widespread improvement since the end of 2016 (Table 1), increasing the likelihood of higher growth in Australia.

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



Australian Bureau of Statistics, [International Trade in Goods and Services, Australia, Dec 2016](#), cat no 5368.0, ABS, 2017.

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International Trade, December 2016¹ (released 2 February 2017)

The surplus balance on goods and services was 72% higher in December 2016, up \$916 million to \$2193 million. Exports increased by \$996 million (3.0%) to \$31 114 million. Imports increased \$78 million (0.0%) to \$28 921 million for the month.

The value of Queensland exports increased \$3.9 billion (7.9%) over the year to December 2016, to be \$52 708 million in nominal values, subject to revision.

Revenue from coal remained the largest non-confidentialised* export earner for Queensland in the year to December 2016, with \$19 938 million, and also recorded the largest nominal increase in export value (\$2062 million). China continues to be Queensland's largest export destination, with \$13 076 million in exports, an increase of 12.5% over the 12 months to December 2016.

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

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

	Unit	Price (week ending 10 February)
US\$/AUD\$	US\$/A\$	0.7648
All Ord. Share Index		5706.14
Cattle Futures (EYCI)	Ac/kg	645.00
Sugar (ICE No.11 Futures)	USc/lb	20.75
Cotton (No. 2 Futures)	USc/lb	76.73
Iron Ore 62% Fe	\$US/t	83.84
Mogas95#	\$US/bbl	71.10
Gold (week-end London PM Fix)	\$US/ounce	1228.30

*Since October 2015, liquefied natural gas (LNG) export values have been unavailable at the state level due to reclassification by the ABS. These values are now included in the 'Confidential' category of Queensland exports, which increased in value by \$3857 million (43.1%) in the year to December 2016.

¹ Australian Bureau of Statistics, [International Trade in Goods and Services, Australia, Dec 2016](#), cat no 5368.0, ABS, 2017.

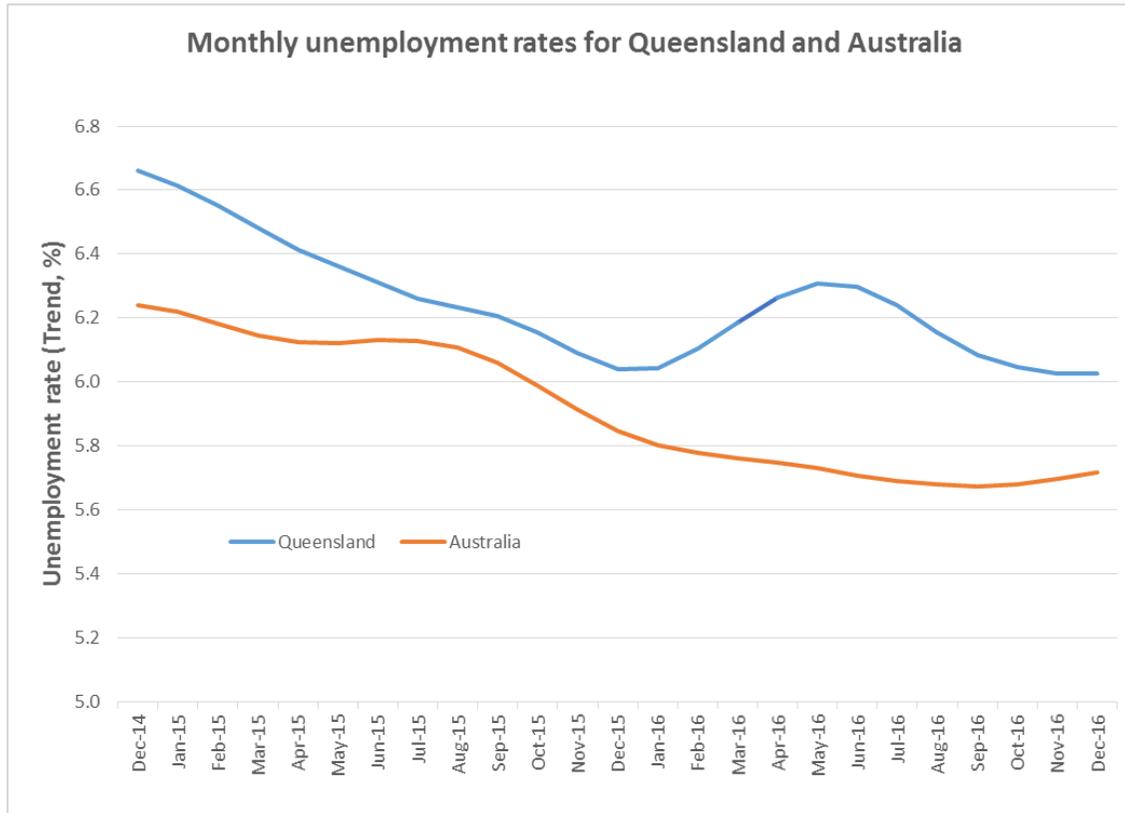
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Business and consumer confidence

Source	Issue/Release date	Change	Reasons for change (as noted in publication)
Westpac Melbourne Institute Index of Consumer Sentiment	January 2017/ 18 January 2017	Consumer sentiment was broadly unchanged in January, rising 0.1% to 97.4 from 97.3 in December 2016.	Results from December and January are the weakest since April 2016. Despite a cumulative 10% gain for Australian equities over the past two months, the absence of a rebound in January reflects concerns over short-term and long-term economic conditions. Views on family finances relative to one year ago have also deteriorated, falling by 7.6% in January to be 16% lower than in February 2016.
ANZ-Roy Morgan Consumer Confidence	Week ending 4 February/5 February 2017	Consumer confidence fell slightly by 0.5% in the week to 117.5, and is marginally lower than the four-week average (118.0).	Results were mixed. Households' views towards current and future finances fell 3.4% and 0.2% respectively, though both remain above long-term averages. Households' views on economic conditions over the next 12 months increased by 0.3%, following a 5.4% rise in the previous week.
ANZ job ads	January 2017/ 6 February 2017	Job advertisements rose 4.0% in January, reversing the fall of 2.2% in December 2016. In trend terms, job adverts rose at an annual rate of 6.1%.	The rise in job adverts is consistent with improved business conditions and confidence. In particular, continued growth in house prices and a large trade surplus have boosted the economy.
NAB Monthly Business Survey	December 2016/ 31 January 2017	Business conditions rose 5 points to +11 index points, close to mid-2016 highs. Index improvements were mainly driven by trading conditions and profitability. In contrast, the index of employment conditions remains relatively weak.	Business confidence remains unchanged at +6 points. Confidence has not reflected the overall strength in business conditions. Weakness in retail conditions is due to the importance of household consumption for the overall economic outlook. Further, there are few signs of a convincing recovery in non-mining investment, which indicates subdued growth moving forward.

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Labour Force, December 2016² (released 19 January 2017)



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

Queensland trend unemployment remained at 6.0% in December 2016 for the third consecutive month. Employment rose by 400 to 2 341 800 persons. The number of unemployed persons remained unchanged at 150 200 persons. The participation rate* fell -0.1% to 63.9%, and has declined by 1.9% in the year.

Australian trend unemployment remained steady at 5.7% in December 2016. Monthly unemployment increased by 3200 persons to 725 700. Employment increased 8200 to 11 966 800 persons. The national participation rate remained steady at 64.6%, to be 0.5% lower than in December 2015.

Unemployment rate (%)

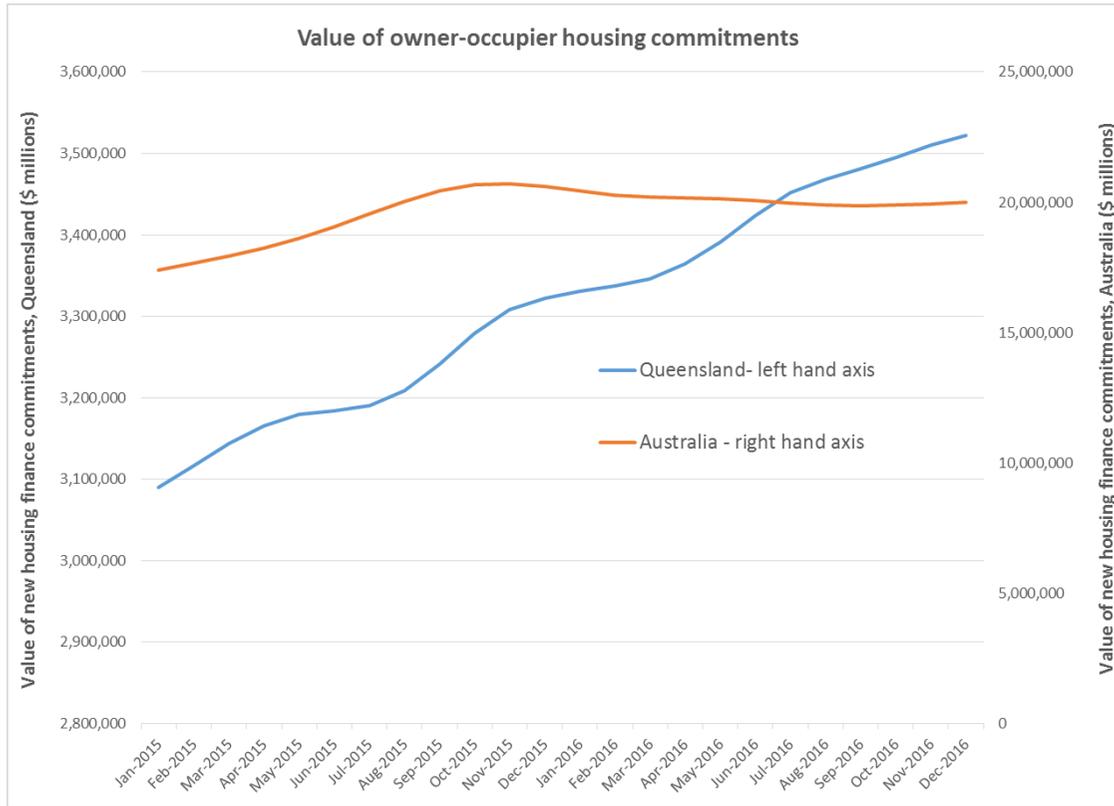
NSW	5.0%
VIC	5.9%
QLD	6.0%
SA	6.8%
WA	6.7%
TAS	6.4%
NT	3.6%
ACT	3.7%
Australia	5.7%

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

² Australian Bureau of Statistics, [Labour Force, Australia, Dec 2016](#), cat no 6202.0, ABS, 2017.

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Housing Finance, December 2016³ (released 10 February 2017)



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

In Queensland, the value of owner occupied housing commitments rose 0.4% to \$3522 million in December 2016.

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

NSW	0.2%
VIC	0.6%
QLD	0.4%
SA	-1.0%
WA	-0.6%
TAS	0.7%
NT	-0.3%
ACT	1.7%
Australia	0.2%

In Australia, the total value of owner occupied housing commitments rose 0.2% to \$19 988 million in December 2016. The total value of investment housing commitments (fixed loans) rose 1.7% to \$13 210 million.

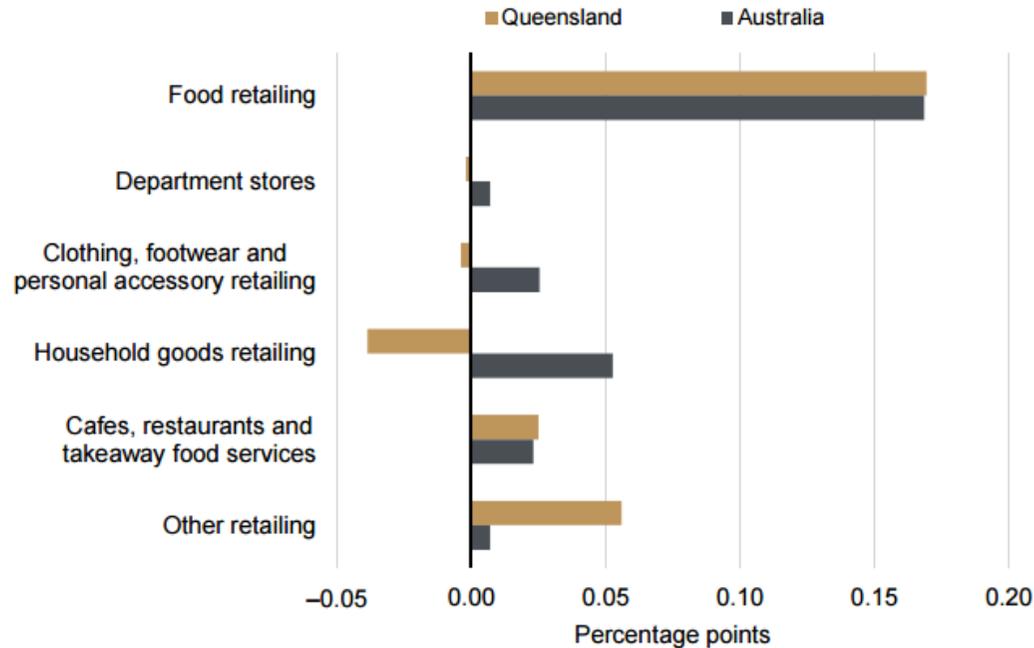
The number of owner occupied housing commitments increased 0.1% to 54 362 for December 2016.

³ Australian Bureau of Statistics, [Housing Finance, Australia, Dec 2016](#), cat no 5609.0, ABS, 2017.

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Retail Trade, December 2016⁴ (released 6 February 2017)

Figure 3 Monthly retail turnover contribution to growth by industry group, December 2016



Source: [Queensland Government Statistician's Office](#)

⁴ Australian Bureau of Statistics, [Retail Trade, Australia, Dec 2016](#), cat no 8501.0, ABS, 2017.

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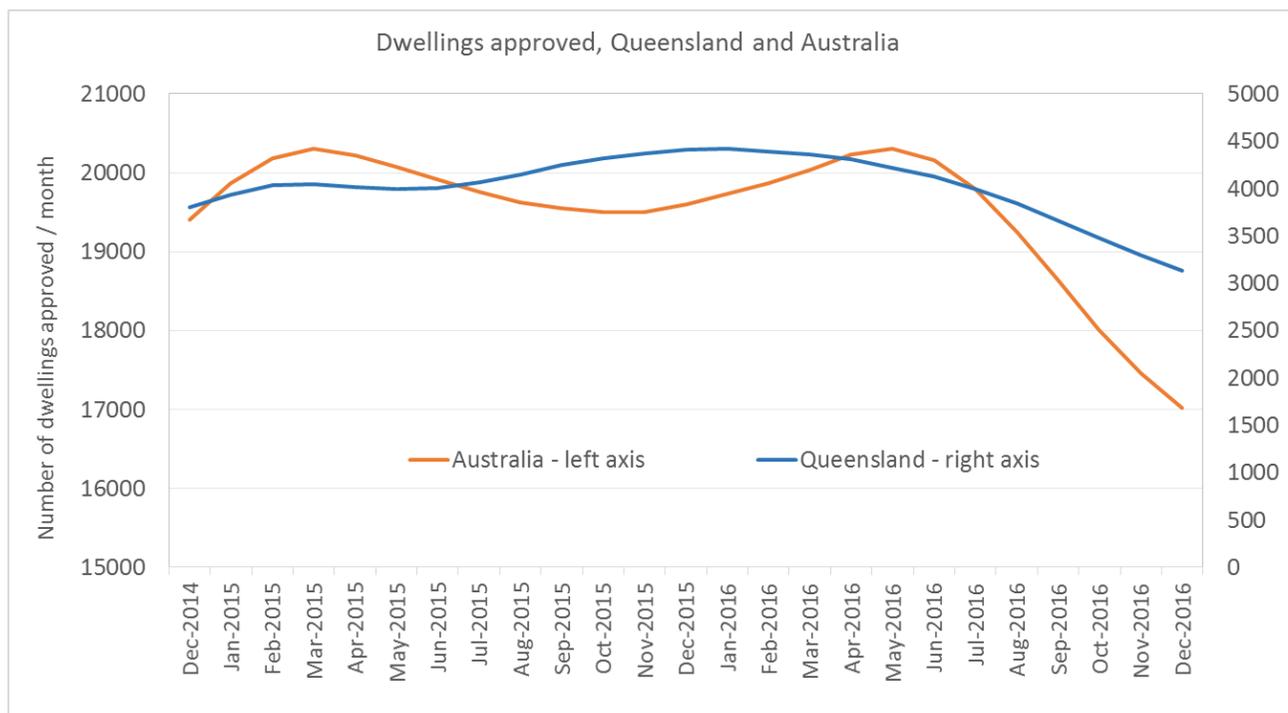
Monthly estimated retail turnover in [Queensland](#) increased 0.3%, to be valued at an estimated \$5206.2 million in December 2016. This was \$197.1 million (3.9%) higher than in December 2015. Retail trade in [Australia](#) rose 0.3% in December to \$25 683.1 million. The national estimate of retail turnover increased 3.2%, or \$803.2 million for the twelve months from December 2015.

Food retailing had the greatest contribution to monthly growth in Queensland (see Figure), followed by *Other retailing*. Nationally, *Food retailing* also provided the greatest contribution to monthly growth, followed by *Household goods retailing*.

The table below compares monthly trend retail growth:

NSW	0.3%
VIC	0.4%
QLD	0.3%
SA	0.1%
WA	0.1%
TAS	0.3%
NT	0.6%
ACT	0.2%
Australia	0.4%

Building Approvals, December 2016⁵ (released 2 February 2017)



In **Queensland**, dwelling unit approvals fell to 3135 (-5.0%) for the month of December 2016, to be down -16.4% for the year, while the estimated value of residential buildings approved in December 2016 fell 4.4% to be valued at \$936.2 million.

In **Australia**, monthly dwelling unit approvals fell -2.5%, to 17 019, to be -13.2% lower than December 2015. The estimated value of new residential buildings fell -3.1% to \$4862.5 million.

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

⁵ Australian Bureau of Statistics, [Building Approvals, Australia, Dec 2016](#), cat no 8731.0, ABS, 2017.

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Parliament House

Cnr George and Alice Streets Brisbane Qld 4000

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