



Exchange Rate Movements to June 2012

This Research Snapshot looks at exchange rate movements* from the June quarter 2010 through to the June quarter 2012 between the Australian dollar and the currencies of Australia's traditional competitors, and between the Australian dollar and the currencies of Australia's top 10 source countries in 2011. The appreciation of the Australian dollar towards the end of 2010 against almost all of these currencies coincided with a fall in international student enrolments, and a ten per cent fall in international student commencements (new enrolments). The appreciation of the Australian Dollar through 2011 continued against all competitor countries and all source countries, although the appreciation slowed somewhat in the first quarter of 2012 but picked up again in the June quarter.

Figure 1. Monthly exchange rates movements of Australian Dollar relative to competitor countries (Indexed to a base of 100 as at 1 June 2010)

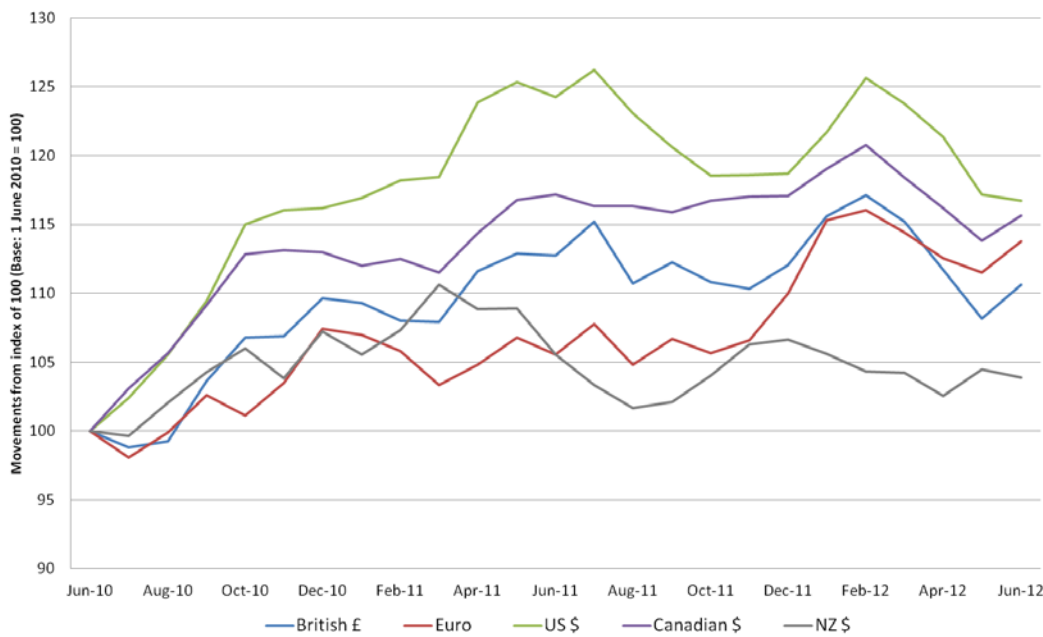


Figure 1 shows the change in the value of the Australian dollar from the June 2010, relative to competitor currencies. While the Australian dollar depreciated against the British pound, euro and New Zealand dollar in mid-2010, by the end of 2010 it had appreciated at least 7% against each currency, including 16% and 13% against the US and Canadian dollars respectively. By June 2012, the Australian dollar had appreciated against each of our competitor's currencies—14% against the euro, 11% against the British pound, 17% against the US dollar, 16% against the Canadian dollar and 4% against the New Zealand dollar.

Figure 2. Quarterly exchange rates movements of Australian Dollar relative to top 10 source countries (Indexed to a base of 100 as at June Qtr 2010)

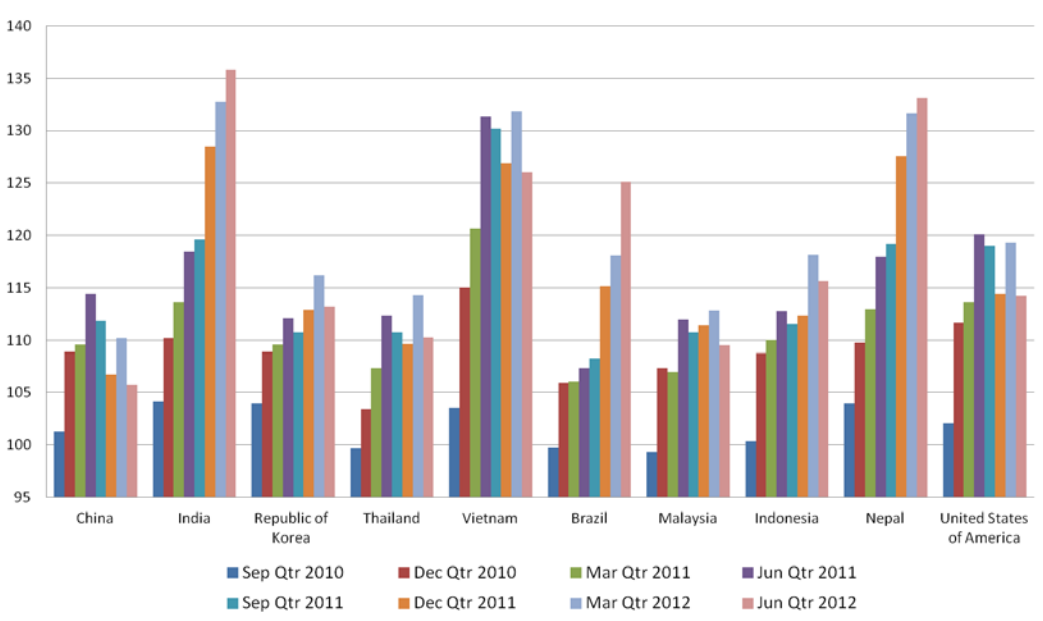


Figure 2 shows the movement of the Australian dollar against the currencies of each of the top ten source countries for commencing international students in 2011. At the end of the September quarter 2010, the Australian dollar had dropped in value against the Thai Baht, the Brazilian Real and the Malaysian Ringgit. By the end of 2010, the dollar had appreciated in value against all of the top ten source countries currencies without exception.

By the June quarter 2012, the Australian dollar had appreciated more than 33% against the Indian and Nepalese Rupees, 26% against the Vietnamese Dong, 25% against the Brazilian Real, 16% against the Indonesian Rupiah and 14% against the US dollar#. It had appreciated 6% against the Chinese Yuan 13% against the Korean Won and 15% each against the Thai Baht and the Malaysian Ringgit when compared to January 2010.

* Exchange rate data have been obtained from Oanda, the Currency Site (<http://www.oanda.com/currency/historical-rates>).
The value shown for the US dollar in Figure 2 is a quarterly figure, while the value in Figure 1 is a monthly figure.