

Overview

Data from the Monthly Retail Trade Survey, the Consumer Price Index (CPI) and House Price Index are included in this chapter. Price indexes provide summary measures of movement in various price categories, and are used extensively to analyse and monitor price behaviour, and to adjust government payments such as pensions.

The Household Expenditure Survey provides estimates of the level and pattern of expenditure by households in different regions of Australia. This information provides a platform for the CPI: items are selected from the HES results for inclusion in the CPI, and relative 'weights' are established between items.

Monthly Retail Trade Survey

The retail industry is a major contributor to the Victorian economy, accounting for almost \$31.3 billion turnover in 1997–98 (table 9.1). The Monthly Retail Trade Survey has been conducted in various forms since 1962. The collection's principal objective is to show monthly movement in retail turnover. The survey is one of the main economic indicators, providing an early indication of change in economic climate. Retail spending is also a very important component of the Australian National Accounts, contributing around 40% of private final consumption expenditure.

The retail industry in Victoria increased total turnover by 5.0% from 1996–97 to 1997–98, with household goods the only division to record a decrease (1.3%). Department stores increased turnover by 7.0% in 1997–98, up on the previous 12 months 1.6% growth. Food retailing grew by 3.6%, and was the largest division at \$13.1 billion, constituting 42.0% of total retail turnover. Other retailing showed the strongest growth (13.0%), and includes pharmaceutical, cosmetic, toiletry, antique, used goods, garden supplies, flower, watch and jewellery retailing. The next strongest increase was in clothing and soft goods (11.7%).

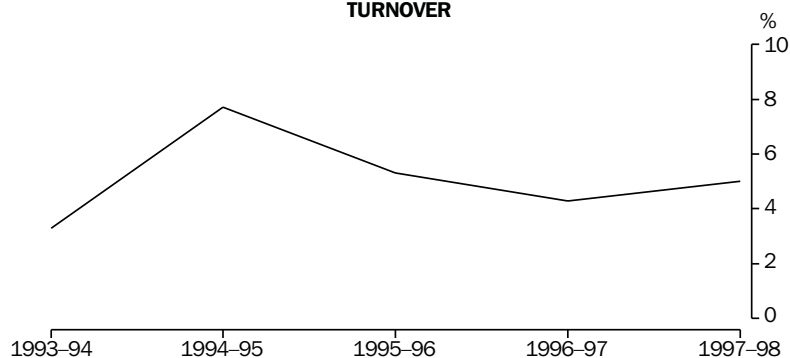
9.1 ANNUAL TURNOVER OF RETAIL ESTABLISHMENTS(a) AT CURRENT PRICES, By Industry

Industry group	1992-93 \$m	1993-94 \$m	1994-95 \$m	1995-96 \$m	1996-97 \$m	1997-98 \$m
Food	10 012.8	10 248.7	11 032.5	12 023.3	12 680.9	13 133.9
Department stores	2 507.3	2 468.5	2 554.5	2 680.5	2 723.9	2 915.9
Clothing and soft goods	2 202.5	2 056.0	1 970.3	1 903.5	1 866.0	2 085.1
Household goods	3 354.0	3 504.0	3 550.5	3 772.6	4 065.6	4 014.3
Recreational goods	1 118.7	1 269.6	1 570.5	1 722.7	1 789.3	1 883.1
Other retailing	2 057.9	2 333.4	2 681.7	2 698.0	2 917.5	3 297.2
Hospitality and services	3 123.4	3 300.1	3 747.0	3 736.1	3 710.9	3 922.9
Total	24 376.6	25 180.3	27 107.0	28 536.7	29 754.0	31 252.3

(a) Excludes establishments which retail motor vehicles, parts, petrol etc. but includes non-petrol sales of identified convenience stores of petrol stations.

Source: Retail Trade, Australia (Cat. no. 8501.0).

9.2 PERCENTAGE CHANGE IN RETAIL TURNOVER



Source: Retail Trade, Australia (Cat. no. 8501.0).

Growth in the estimate of seasonally adjusted retail turnover continued to strengthen during most of 1997-98, although there was a decline in the March quarter 1998 (table 9.3). Retail turnover in five of the seven industry groups declined in this quarter.

9.3 QUARTERLY TURNOVER OF RETAIL ESTABLISHMENTS: Seasonally Adjusted(a) at Current Prices

Industry group	March 1997	June 97	Sept 97	Dec 97	Mar 98	June 98
	\$m	\$m	\$m	\$m	\$m	\$m
Food	3 236.7	3 261.3	3 273.6	3 297.4	3 271.3	3 303.4
Department stores	705.1	680.7	729.0	738.3	735.9	717.0
Clothing and soft goods	469.3	475.0	499.0	515.8	507.7	556.8
Household goods	1 054.0	1 025.0	1 028.1	1 083.3	949.8	940.9
Recreational goods	443.5	463.6	467.4	484.9	481.6	452.0
Other retailing	755.4	783.1	818.6	762.0	854.1	874.2
Hospitality and services	952.5	929.2	943.7	948.3	1 001.5	1 035.6
Total	7 616.6	7 618.1	7 759.5	7 829.9	7 801.9	7 879.9

(a) Excludes establishments which retail motor vehicles, parts, petrol etc. but includes non-petrol sales of identified convenience stores of petrol stations.

Source: Retail Trade, Australia (Cat. no. 8501.0).

Consumer Price Index

Price indexes measure a change over time in the prices of a constant list of goods and/or services. The items are allocated 'weights' which represent their relative consumer importance. From time to time, indexes are reviewed and new fixed weights are introduced to reflect up-to-date expenditure patterns.

Prices of all goods and services are sought to be measured at constant quality, thus identifying 'pure' price movement. To do this, identical or equivalent items are priced in successive time periods as far as possible. Changes in quality are taken into account, to ensure that the indexes reflect only pure price change.

The CPI is sometimes referred to as a measure of inflation, a measure of change in purchasing power, or a measure of change in the cost of living. It is, in fact, 'a measure of change, over time, in the retail prices of a constant basket of goods and services'.

In 1997–98, the all groups CPI for Melbourne stood at 119.8 (base year 1989–90=100.0, table 9.3). In the five years from 1992–93 to 1997–98, the all groups Melbourne CPI increased by 10%, with Tobacco and alcohol (31.5%) and Health and personal care (25.0%) recording the greatest group increases. Housing was the only group to drop (7.1%).

From 1996–97 to 1997–98, the all groups Melbourne CPI showed little change (–0.1%), with the largest group increases in recreation and education (3.5%) and health and personal care (3.2%). The highest decrease occurred in housing (8.9%), possibly reflecting lower mortgage interest rates.

9.4 CONSUMER PRICE INDEX—Melbourne(a)

Group	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	Percentage change	
							1992-93 to 1997-98	1996-97 to 1997-98
Food	106.3	107.9	110.1	114.1	118.6	120.5	13.4	1.6
Clothing	107.8	107.3	107.4	108.0	108.4	108.9	1.0	0.5
Housing	93.1	92.7	97.5	101.4	95.0	86.5	-7.1	-8.9
Household equipment	108.3	110.0	111.1	113.0	114.7	115.0	6.2	0.3
Transport	112.7	115.8	118.8	122.6	124.0	123.3	9.4	-0.6
Tobacco and alcohol	122.7	132.1	137.3	154.2	158.5	161.4	31.5	1.8
Health and personal care	129.8	135.4	142.4	148.7	157.1	162.2	25.0	3.2
Recreation and Education	110.8	113.6	116.7	120.3	123.3	127.6	15.2	3.5
All groups	108.9	111.1	114.1	118.4	119.9	119.8	10.0	-0.1

(a) Base year: 1989-90=100.0.

Source: Consumer Price Index (Cat. no. 6401.0).

Average retail prices

Over the five years to June 1998, the rate of retail price changes for food and other items have differed markedly (table 9.5). For some items, such as milk, prices have steadily increased; whilst for others, such as rump steak, prices have dropped.

9.5 AVERAGE RETAIL PRICES OF SELECTED FOOD AND OTHER ITEMS—Melbourne

	Unit	June quarter					
		1993	1994	1995	1996	1997	1998
		cents	cents	cents	cents	cents	cents
Dairy products							
Milk, carton, supermarket sales	1 litre	101	104	113	121	130	135
Cheese, processed, sliced, wrapped	500 g	302	349	337	373	357	337
Butter	500 g	178	184	164	194	199	204
Cereal products							
Bread, white loaf, sliced, supermarket sales	680 g	160	153	160	174	192	189
Flour, self-raising	2 kg	303	315	330	342	340	330
Meat and seafoods							
Beef							
Rump steak	1 kg	1 057	1 102	1 120	1 116	1033	1031
Chuck steak	1 kg	586	623	594	607	547	569
Lamb							
Leg	1 kg	554	549	558	597	577	550
Loin chops	1 kg	783	792	801	900	859	860
Chicken, frozen	1 kg	291	323	321	348	387	336
Bacon, middle rashers	250 g pkt	287	293	286	302	308	314
Salmon, pink	210 gm can	261	232	221	226	227	264
Fruit and vegetables							
Potatoes	1 kg	95	70	137	99	130	108
Onions	1 kg	127	100	103	87	88	99
Peaches, canned	825 g	197	203	198	179	186	199
Oranges	1 kg	114	105	124	142	139	158
Other food							
Eggs	55 g dozen	190	200	196	245	271	272
Sugar, white	2 kg	171	199	192	202	201	211
Jam, strawberry	500 g jar	226	247	233	240	245	229
Tea	250 g	171	182	177	176	193	234
Coffee, instant	150 g jar	402	428	561	569	554	621
Margarine, polyunsaturated	500 g	153	159	163	141	144	159
Other items							
Beer, full strength, unchilled	24 x 375 ml bottles	2 280	2 395	2 469	2 608	2665	2699
Facial tissues	pkt 224	213	176	165	188	181	179
Laundry detergent	1 kg	439	429	439	484	498	486
Tooth paste	140 g	221	234	229	232	244	247
Petrol, super grade	1 litre	66.5	70.2	71.1	74.1	73.5	70.9

Source: Average Retail Prices of Selected Items, Eight Capital Cities (Cat. no. 6403.0).

House Price Index

This index estimates change in house prices for capital cities, measuring price movements over time. From 1996–97 to 1997–98, the Melbourne established House Price Index increased by 12.7%, up on the 3.9% growth of the previous 12 months (table 9.6). The cumulative increase from 1993–94 to 1997–98 was 20.1%.

From 1996–97 to 1997–98, the Melbourne project home index grew by 0.8%. The cumulative increase from 1993–94 to 1997–98 was 4.5%.

9.6 HOUSE PRICE INDEX(a), MELBOURNE

	1993–94	1994–95	1995–96	1996–97	1997–98
Established houses	95.2	97.9	97.6	101.4	114.3
Project homes	103.9	105.8	107.3	107.7	108.6

(a) Base of each index: 1989–90=100.0. Weighted average of capital city.

Source: *House Price Indexes: Eight Capital Cities* (Cat. no. 6416.0).

Household expenditure

Household Expenditure Surveys are primarily conducted in order to measure the expenditure patterns of Australian households. These expenditure patterns are then used to establish and revise weights used in compiling the CPI.

In 1993–94, the Victorian total average household expenditure was \$601.76 per week (table 9.7), compared with an Australian average of \$602.11. The four largest Victorian expenditure items were food and non-alcoholic beverages (\$111.10 per week, 18.5% of total), transport (\$93.62, 15.6%), current housing costs (\$83.11, 13.8%) and recreation (\$80.65, 13.4%). The largest food expenditure was on meals out and take-away food (\$30.34 per week, 5.0% of total), meat and seafood (\$18.10, 3.0%) and miscellaneous food (\$17.57, 2.9%).

9.7 AVERAGE WEEKLY HOUSEHOLD EXPENDITURE—1993–94

Commodity or service	\$	%
Current housing costs (selected dwelling)	83.11	13.8
Fuel and power	21.25	3.5
Food and non-alcoholic beverages		
Bakery products, flour and other cereals	13.14	2.2
Meat and seafood	18.10	3.0
Dairy products, eggs, edible oils and fats	11.22	1.9
Fruits, nuts and vegetables	13.15	2.2
Miscellaneous food	17.57	2.9
Non-alcoholic beverages	7.56	1.3
Meals out and take-away food	30.34	5.0
Alcoholic beverages	16.52	2.7
Tobacco	8.67	1.4
Clothing and footwear	37.61	6.3
Household furnishings and equipment	34.55	5.7
Household services and operation	30.49	5.0
Medical care and health expenses	26.41	4.4
Transport	93.62	15.6
Recreation	80.65	13.4
Personal care	11.27	1.9
Miscellaneous commodities and services	46.51	7.7
Total	601.76	100.0

Source: Household Expenditure Survey, Australia: States and Territories, (Cat. no. 6533.0).

Gambling

It should be noted that in analysing gambling statistics, it is not accurate to make comparisons between turnovers generated by different forms of gambling, except as an indication of the amount of money wagered on each gambling form. The conversion of turnover into expenditure is important in a comparative analysis. There is expenditure data on casino gaming and gaming machine (poker machine) operations in Victoria. For other forms of gambling, expenditure is calculated by multiplying turnover by retention rate, which is indicative of the proportion of original gambling outlay not returned to the gambler as winnings. For various types of gambling, the amounts 'lost' or not returned to the gambler vary significantly.

Total Victorian gambling turnover during 1996–97 was \$26.1 billion (table 9.8). Casino gambling recorded a 63.7% increase in turnover from \$4.0 billion in 1995–96 to \$6.5 billion in 1996–97, while turnover for electronic gaming machines increased by 18.9% to \$15.9 billion. The largest proportional decreases in gambling turnover were for pools (22.8%) and on-course bookmakers (17.4%). In 1996–97, the greatest per capita turnover was recorded in electronic gaming machine gambling (\$4,639.58).

9.8 GAMBLING TURNOVER

Gambling form	1994-95	1995-96	1996-97	Per capita 1996-97(a)
	\$m	\$m	\$m	\$
TAB	2 266.7	2 283.5	2 292.7	669.25
On-course totaliser	248.0	235.1	223.4	65.20
On-course bookmakers	457.3	443.3	366.3	106.94
<i>Total racing gambling</i>	<i>2 972.0</i>	<i>2 961.9</i>	<i>2 882.4</i>	<i>841.39</i>
Lottery	12.4	12.5	12.3	3.58
Tattslotto, lotto	677.8	702.8	643.9	187.96
Pools	3.0	3.5	2.7	0.78
Bingo and minor gambling(b)	146.2	188.7	19.8	5.79
Electronic gaming machines	10 090.5	13 367.2	15 894.0	4 639.58
Casino	2 926.1	3 991.8	6 534.0	1 907.34
Instant lottery	83.8	72.4	60.4	17.64
Keno	39.9	31.3	29.7	8.67
<i>Total gaming</i>	<i>14 048.4</i>	<i>18 370.3</i>	<i>23 196.8</i>	<i>6 771.35</i>
Total gambling(c)	17 020.4	21 332.2	26 079.2	7 612.74

(a) Annual average dollar turnover per Victorian, excluding persons under the age of 18 years. (b) Excludes bingo in 1996-97.
(c) Other forms of gambling (i.e. off-course bookmaking) exist.

Source: Tasmanian Gaming Commission, Australian Gambling Statistics 1972-73 to 1996-97.

Total gambling expenditure for Victoria during 1996-97 was \$2.8 billion (table 9.9). From 1995-96 to 1996-97, all gambling forms recorded a decrease in expenditure, except for TAB, electronic gaming machines and casino gambling. The largest expenditure increase from 1995-96 to 1996-97 was recorded by electronic gaming machines with \$209.5 million (16.8%), followed by casino gambling, \$88.1 million (17.9%) and TAB, \$1.4 million (0.4%). In 1996-97, electronic gaming machines recorded the largest per capita expenditure (\$424.96).

9.9 GAMBLING EXPENDITURE

Gambling form	1994-95	1995-96	1996-96	Per capita 1996-97(a)
	\$m	\$m	\$m	\$m
TAB	348.8	365.4	366.8	107.08
On-course totalisator	38.2	37.6	35.7	10.43
On-course bookmakers	25.2	27.0	22.3	6.50
<i>Total racing gambling</i>	<i>412.2</i>	<i>430.0</i>	<i>424.8</i>	<i>124.02</i>
Lottery	5.0	5.0	4.9	1.43
Tattslotto, lotto	271.1	281.1	257.6	75.19
Pools	1.5	1.8	1.3	0.39
Bingo and minor gambling(b)	73.1	43.7	2.0	0.58
Electronic gaming machines	908.1	1 246.3	1 455.8	424.96
Casino	357.8	490.9	579.0	169.00
Instant lottery	33.5	29.0	24.2	7.06
Keno	12.4	8.7	7.2	2.09
<i>Total gaming</i>	<i>1 703.8</i>	<i>2 115.9</i>	<i>2 331.9</i>	<i>680.70</i>
Total gambling(c)	2 115.9	2 545.8	2 756.7	804.71

(a) Annual average dollar expenditure per Victorian, excluding persons under the age of 18 years. (b) Excludes bingo in 1996-97.
(c) Other forms of gambling (i.e. off-course bookmaking) exist.

Source: Tasmanian Gaming Commission, Australian Gambling Statistics 1972-73 to 1996-97.

From 1994–95 to 1996–97, the racing share of total gambling expenditure decreased from 19.5% to 15.4%, while the gaming share steadily increased from 80.5% to 84.6% (table 9.10).

9.10 GAMBLING EXPENDITURE, Share of Market

Year	Racing	Gaming	Racing	Gaming
	\$m	\$m	% share	% share
1994–95	412.2	1 703.8	19.5	80.5
1995–96	430.0	2 115.9	16.9	83.1
1996–97	424.8	2 331.9	15.4	84.6

Source: Tasmanian Gaming Commission, *Australian Gambling Statistics 1972–73 to 1996–97*.

References

ABS sources

Average Retail Prices of Selected Items, Eight Capital Cities
(Cat. no. 6403.0)

Consumer Price Index (Cat. no. 6401.0)

A Guide to the Consumer Price Index (Cat. no. 6440.0)

House Price Indexes, Eight Capital Cities (Cat. no. 6416.0)

Household Expenditure Survey, Australia: States and Territories, 1993–94
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Retail Trade, Australia (Cat. no. 8501.0)

Non-ABS sources

Tasmanian Gaming Commission, *Australian Gambling Statistics, 1972–73 to 1996–97*.

