

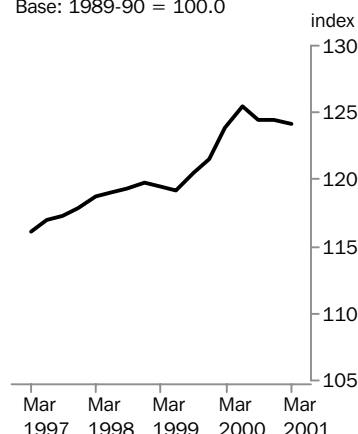
PRICE INDEX OF MATERIALS USED IN HOUSE BUILDING

**SIX STATE
CAPITAL
CITIES**

EMBARGO: 11:30AM (CANBERRA TIME) MON 23 APR 2001

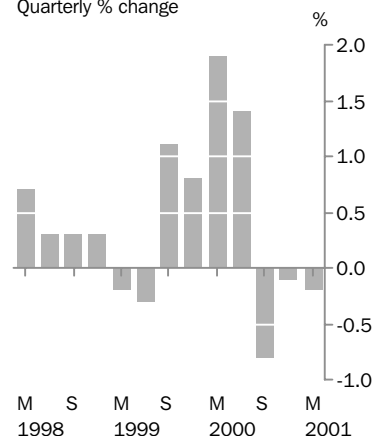
All groups

Base: 1989-90 = 100.0



All groups

Quarterly % change



MARCH QTR KEY FIGURES

	% change Dec Qtr 2000 to Mar Qtr 2001	% change Mar Qtr 2000 to Mar Qtr 2001
Weighted average of six State capital cities	-0.2	0.3
Sydney	0.0	1.4
Melbourne	-0.5	-0.1
Brisbane	-0.2	-1.4
Adelaide	-0.2	1.5
Perth	-0.1	0.7
Hobart	0.6	1.4

MARCH QTR KEY POINTS

WEIGHTED AVERAGE INDEX

- The small decrease in the index was mostly due to price decreases for structural timber and ready mixed concrete.
- These price decreases were partly offset by price increases for builders hardware.

FINAL ISSUE
See page 2
for details.

CAPITAL CITIES INDEXES

- Structural timber prices decreased in all cities except Hobart where they increased.
- Prices for ready mixed concrete decreased in all cities except Adelaide and Hobart which recorded increases.
- Builders hardware prices increased in Sydney, Brisbane and Adelaide, showed no change in Melbourne and Perth, whilst Hobart recorded a small decrease.

- For further information about these and related statistics, contact Robert Adams on Canberra 02 6252 6198, or the National Information Service on 1300 135 070.

NOTES

FINAL ISSUE

This issue will be the last of this publication. The ABS has reviewed its publication strategy for producer price indexes with a view to integrating its range of publications. From June quarter 2001 the key series will be published in a new publication— *Producer Price Indexes, Australia* (Cat. no. 6427.0). Subscribers of this publication will be sent details of the new publication and information on arrangements for ensuring that they will continue to receive the series that they are interested in. Others who are interested in receiving details of the new publication should contact Lee Taylor on 1800 155 106.

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R.W. Edwards
Acting Australian Statistician

HOUSE BUILDING MATERIALS PRICE INDEX(a)

<i>Period</i>	<i>Weighted average of six State capital cities</i>	<i>Sydney</i>	<i>Melbourne</i>	<i>Brisbane</i>	<i>Adelaide</i>	<i>Perth</i>	<i>Hobart</i>
1996-1997	116.1	116.3	115.3	115.3	120.6	115.3	120.1
1997-1998	118.2	119.7	117.1	117.1	123.3	115.9	121.0
1998-1999	119.5	121.6	118.0	118.2	125.0	116.1	122.2
1999-2000	122.8	126.8	121.7	120.8	127.2	117.7	123.8
1997							
March	116.1	116.0	115.1	115.4	120.8	115.3	120.1
June	117.0	117.3	115.8	116.5	121.5	115.8	120.1
September	117.3	117.8	116.1	116.8	122.4	116.0	120.3
December	117.9	119.4	116.6	116.7	122.9	115.8	120.6
1998							
March	118.7	120.8	117.6	117.0	123.7	115.7	121.2
June	119.0	120.7	118.0	117.9	124.1	115.9	122.0
September	119.4	120.8	118.6	118.4	124.4	116.1	122.5
December	119.7	121.8	118.1	118.6	125.2	116.3	122.3
1999							
March	119.5	122.0	117.7	118.4	125.1	116.0	122.1
June	119.2	121.8	117.4	117.5	125.2	115.9	121.9
September	120.5	123.7	119.2	118.3	125.5	116.9	122.1
December	121.5	124.4	120.5	119.9	126.0	117.1	122.6
2000							
March	123.8	128.0	122.9	122.1	127.5	118.1	124.6
June	125.5	131.2	124.2	122.9	129.7	118.7	126.0
September	124.5	130.0	123.2	121.2	129.8	118.3	125.2
December	124.4	129.8	123.4	120.6	129.7	119.0	125.6
2001							
March	124.2	129.8	122.8	120.4	129.4	118.9	126.3

(a) Base of each index: 1989-90 = 100.0

HOUSE BUILDING MATERIALS PRICE INDEX, Percentage Changes

Period	Weighted average of six State capital cities	Sydney	Melbourne	Brisbane	Adelaide	Perth	Hobart
PERCENTAGE CHANGE (from previous year)							
1996-1997	0.3	0.3	-0.1	0.2	2.0	0.4	-0.5
1997-1998	1.8	2.9	1.6	1.6	2.2	0.5	0.7
1998-1999	1.1	1.6	0.8	0.9	1.4	0.2	1.0
1999-2000	2.8	4.3	3.1	2.2	1.8	1.4	1.3
PERCENTAGE CHANGE (from corresponding quarter of previous year)							
1997							
March	0.7	0.4	0.0	0.9	2.4	0.6	-0.5
June	1.3	0.9	0.6	2.2	2.7	1.0	-0.4
September	1.5	1.6	1.0	2.1	2.3	0.9	-0.2
December	1.8	3.1	1.2	1.7	2.1	0.7	0.7
1998							
March	2.2	4.1	2.2	1.4	2.4	0.3	0.9
June	1.7	2.9	1.9	1.2	2.1	0.1	1.6
September	1.8	2.5	2.2	1.4	1.6	0.1	1.8
December	1.5	2.0	1.3	1.6	1.9	0.4	1.4
1999							
March	0.7	1.0	0.1	1.2	1.1	0.3	0.7
June	0.2	0.9	-0.5	-0.3	0.9	0.0	-0.1
September	0.9	2.4	0.5	-0.1	0.9	0.7	-0.3
December	1.5	2.1	2.0	1.1	0.6	0.7	0.2
2000							
March	3.6	4.9	4.4	3.1	1.9	1.8	2.0
June	5.3	7.7	5.8	4.6	3.6	2.4	3.4
September	3.3	5.1	3.4	2.5	3.4	1.2	2.5
December	2.4	4.3	2.4	0.6	2.9	1.6	2.4
2001							
March	0.3	1.4	-0.1	-1.4	1.5	0.7	1.4
PERCENTAGE CHANGE (from previous quarter)							
1997							
March	0.3	0.2	-0.1	0.5	0.3	0.3	0.3
June	0.8	1.1	0.6	1.0	0.6	0.4	0.0
September	0.3	0.4	0.3	0.3	0.7	0.2	0.2
December	0.5	1.4	0.4	-0.1	0.4	-0.2	0.2
1998							
March	0.7	1.2	0.9	0.3	0.7	-0.1	0.5
June	0.3	-0.1	0.3	0.8	0.3	0.2	0.7
September	0.3	0.1	0.5	0.4	0.2	0.2	0.4
December	0.3	0.8	-0.4	0.2	0.6	0.2	-0.2
1999							
March	-0.2	0.2	-0.3	-0.2	-0.1	-0.3	-0.2
June	-0.3	-0.2	-0.3	-0.8	0.1	-0.1	-0.2
September	1.1	1.6	1.5	0.7	0.2	0.9	0.2
December	0.8	0.6	1.1	1.4	0.4	0.2	0.4
2000							
March	1.9	2.9	2.0	1.8	1.2	0.9	1.6
June	1.4	2.5	1.1	0.7	1.7	0.5	1.1
September	-0.8	-0.9	-0.8	-1.4	0.1	-0.3	-0.6
December	-0.1	-0.2	0.2	-0.5	-0.1	0.6	0.3
2001							
March	-0.2	0.0	-0.5	-0.2	-0.2	-0.1	0.6

HOUSE BUILDING MATERIALS PRICE INDEX(a), Contribution to All Groups Index

Category	December Qtr 2000(b)	March Qtr 2001(b)	Change
Weighted average of six State capital cities	124.4	124.2	-0.2
GROUPS: Contribution to Weighted average of six State capital cities index (index points)			
Concrete mix, cement and sand	8.30	8.22	-0.08
Cement products	7.31	7.30	-0.01
Ceramic products	16.84	16.88	0.04
Timber, board and joinery	36.48	36.06	-0.42
Steel products	5.46	5.47	0.01
Other metal products	20.11	20.23	0.12
Plumbing products	8.51	8.54	0.03
Electrical equipment	4.46	4.45	-0.01
Installed appliances	4.46	4.47	0.01
Other materials	12.51	12.60	0.09

(a) For an explanation of this table see paragraph 14 of the Explanatory Notes

(b) Base of each index: 1989-90 = 100.0

HOUSE BUILDING MATERIALS PRICE INDEX(a), By Materials Group

WEIGHTED AVERAGE OF SIX STATE CAPITAL CITIES.....

Period	Concrete mix, cement and sand	Cement products	Ceramic products	Timber, board and joinery	Steel products	Other metal products	Plumbing products	Electrical equipment	Installed appliances	Other materials
1996-1997	112.8	116.6	113.1	116.2	118.3	113.6	114.4	115.1	128.7	119.5
1997-1998	114.0	117.2	115.2	118.8	120.1	115.3	118.3	115.1	130.4	122.4
1998-1999	112.8	117.5	116.9	120.6	119.5	117.3	116.7	116.3	130.6	125.4
1999-2000	111.5	120.9	118.0	127.1	116.6	121.4	123.1	118.9	131.5	127.7
1997										
March	113.0	116.9	113.0	115.8	118.7	114.1	113.6	114.8	129.5	119.2
June	113.9	116.5	113.7	116.9	119.1	114.3	116.3	115.5	129.3	121.1
September	114.2	116.2	114.3	117.3	119.1	114.6	117.9	115.0	130.0	121.3
December	114.2	117.1	114.4	118.3	120.1	115.1	118.2	114.9	130.8	122.1
1998										
March	113.9	117.9	115.8	119.9	120.6	115.0	119.0	114.6	130.0	122.5
June	113.8	117.7	116.1	119.8	120.5	116.5	118.2	115.7	130.6	123.5
September	113.4	117.6	117.0	121.0	119.0	116.8	117.7	115.6	130.7	124.0
December	113.1	117.5	116.9	121.3	120.4	117.3	115.8	116.3	130.9	125.5
1999										
March	112.4	117.0	117.0	120.7	119.8	117.5	116.5	116.5	130.6	125.5
June	112.4	117.7	116.5	119.4	118.9	117.7	116.6	116.6	130.3	126.6
September	112.3	119.4	116.6	121.2	117.9	119.7	120.2	118.2	131.7	127.1
December	111.9	120.2	116.9	123.9	116.2	120.6	120.6	119.6	131.5	127.5
2000										
March	110.8	121.4	118.2	130.2	116.4	121.6	124.7	119.0	131.2	128.0
June	110.8	122.4	120.3	133.2	115.8	123.6	126.8	118.9	131.6	128.2
September	109.5	122.2	120.8	134.3	115.3	124.1	118.7	116.2	119.8	126.3
December	109.5	122.5	120.8	134.0	114.0	123.5	118.9	117.3	121.1	126.8
2001										
March	108.5	122.4	121.2	132.5	114.3	124.3	119.2	117.0	121.4	127.7

(a) Base of each index: 1989-90 = 100.0

EXPLANATORY NOTES

INTRODUCTION

1 This publication presents index numbers measuring changes in the prices of selected materials used in the construction of houses in the Statistical Division for each State capital city—the *Price Index of Materials Used in House Building*. It is calculated on a reference base of 1989–90 = 100.0 for the six State capital cities.

SCOPE

2 A house is defined as a detached building predominantly used for long-term residential purposes and consisting of only one dwelling unit. The index does not represent buildings of any kind other than detached houses.

ITEMS AND WEIGHTS

3 The index is a fixed weights index. The items and weights were derived from reported values of each material used in selected representative houses constructed in the 3 years ending 1992–93. Each capital city has an individual weighting pattern which reflects the differences in the relative usage of different materials in the various cities and differences in price levels between the cities.

4 The weighting pattern for the six State capital cities is set out in Appendix A of the December 1995 issue of this publication.

PRICE MEASUREMENT

5 Prices used relate to precise standards for each material. The aim of the index is to measure price changes for materials of constant quality.

6 In general, the point of pricing is ‘delivered on site’. However, in some cases it is necessary to use the nearest realistic price available, e.g. that for materials supplied and fixed. Prices are obtained in each capital city from representative suppliers of materials used in house building.

7 As far as possible, actual transaction prices are used in this index—that is, prices actually paid by building contractors or sub-contractors to material suppliers for materials delivered on building sites. The actual price paid for anything can be described in various ways. Instead of being described as a single price (as usually happens in retail shops) a price for a building material may be described in terms of the components that make up the price—for instance ‘suppliers’ price plus freight’, ‘basic price less (particular types of) discount’ and so on. It is these net prices that the ABS aims to use in compiling this price index.

8 The ABS asks respondent businesses to report details of the discounts they offer so that actual transaction prices can be calculated. However, as building material suppliers offer many different types of discounts to buyers (e.g. trade discounts, settlement discounts, quantity discounts, competitive discounts), the identification of discounts and the way in which they are applied by sellers pose considerable problems for the ABS. To the extent that discounts are identified and measured, their effects are taken into account in calculating the index. Sometimes new discounts, or changes in the way discounts are applied by sellers, are identified only after index numbers for a period have been published. In such cases, or in any other case where it has been discovered that incorrect prices have been used in compiling the indexes, revisions to index numbers may occur in subsequent issues of this publication.

INDEX NUMBERS

9 Index numbers for financial years are simple averages of the quarterly index numbers.

10 The separate city indexes measure price movements within each capital city individually. They enable comparisons to be drawn between cities as to *differences in degree of price movement* from period to period. They do not measure differences in price levels between cities.

EXPLANATORY NOTES

REVISIONS

11 In cases where more complete information is obtained after index numbers for a period have been published, or it is discovered that incorrect prices have been used in compiling the indexes, revisions to index numbers may occur in subsequent issues of this publication.

ANALYSIS OF INDEX CHANGES

12 Care should be exercised when interpreting quarter-to-quarter movements in the indexes as short-term movements do not necessarily indicate changes in trend.

13 Movements in indexes from one period to another can be expressed either as changes in 'index points' or as percentage changes. The following example illustrates the method of calculating index points changes and percentage changes between any two periods:

Weighted average of six State
capital cities index numbers —

March Quarter 2001 124.2 (See Table 1)

less March Quarter 2000 123.8 (See Table 1)

Change in index points 0.4

Percentage change $\frac{0.4}{123.8} \times 100 = 0.3$

14 Table 3 provides an analysis of the contribution which selected categories of materials make to the total Weighted average of six State capital cities index. For example, Timber, board and joinery contributed 36.06 index points to the total Weighted average of the six State capital cities index number of 124.2 for the March Quarter 2001 and -0.42 index points to the net change of -0.2 index points.

FURTHER INFORMATION

15 The Appendix to the December 1995 issue of this publication contains a more detailed description of the index and its relationship with previous indexes.

16 Further information on recent index developments in the ABS is presented in the following publications:

- *Information Paper: An Analytical Framework for Price Indexes in Australia* (Cat. no. 6421.0)
- *Information Paper: Producer Price Index Developments* (Cat. no. 6419.0) (Comprises detailed discussion of Stage of Production concept and detail of selected Service Industries indexes.)
- *Information Paper: Review of the Import Price Index and the Export Price Index, Australia* (Cat. no. 6424.0)
- *Information Paper: Price Indexes and The New Tax System, 2000* (Cat. no. 6425.0).

EXPLANATORY NOTES

RELATED PUBLICATIONS

17 Users may also wish to refer to the following Producer Price Index publications, which are available from ABS Bookshops:

- *Export Price Index, Australia* (Cat. no. 6405.0)
- *Import Price Index, Australia* (Cat. no. 6414.0)
- *Price Index of Materials Used in Building Other than House Building, Six State Capital Cities* (Cat. no. 6407.0)
- *Price Indexes of Copper Materials, Australia* (Cat. no. 6410.0)
- *Price Indexes of Materials Used in Manufacturing Industries, Australia* (Cat. no. 6411.0)
- *Price Indexes of Articles Produced by Manufacturing Industry, Australia* (Cat. no. 6412.0)
- *Price Indexes of Materials Used in Coal Mining, Australia* (Cat. no. 6415.0)
- *Producer Price Indexes for Selected Service Industries, Australia* (6423.0)
- *Stage of Production Producer Price Indexes, Australia* (Cat. no. 6426.0)

18 Other ABS publications that may be of interest include:

- *Balance of Payments and International Investment Position, Australia* (Cat. no. 5302.0)
- *Consumer Price Index, Australia* (Cat. no. 6401.0)
- *Wage Cost Index, Australia* (Cat. no. 6345.0)
- *Average Weekly Earnings, States and Australia* (Cat. no. 6302.0)
- *Australian National Accounts: Input-Output Tables* (Cat. no. 5209.0)

19 Current publications produced by the ABS are listed in the *Catalogue of Publications and Products, Australia* (Cat. no. 1101.0). The ABS also issues, on Tuesdays and Fridays, a *Release Advice* (Cat. no. 1105.0) which lists publications to be released in the next few days. The Catalogue and Release Advice are available from any ABS office.

UNPUBLISHED STATISTICS

20 As well as the statistics included in this and related publications, the ABS may have other relevant unpublished data available. Inquiries should be made to Robert Adams on 02 6252 6198 or to any ABS office.

SYMBOLS AND OTHER USAGES

r revised

FOR MORE INFORMATION...

- INTERNET** www.abs.gov.au the ABS web site is the best place to start for access to summary data from our latest publications, information about the ABS, advice about upcoming releases, our catalogue, and Australia Now—a statistical profile.
- LIBRARY** A range of ABS publications is available from public and tertiary libraries Australia-wide. Contact your nearest library to determine whether it has the ABS statistics you require, or visit our web site for a list of libraries.
- CPI INFOLINE** For current and historical Consumer Price Index data, call 1902 981 074 (call cost 77c per minute).
- DIAL-A-STATISTIC** For the latest figures for National Accounts, Balance of Payments, Labour Force, Average Weekly Earnings, Estimated Resident Population and the Consumer Price Index call 1900 986 400 (call cost 77c per minute).

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