

Information Paper

Introduction of the 15th Series Australian Consumer Price Index 2005

(Reissue)



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(Reissue)

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NOTES AND CONTENTS

NOTES

This publication is a reissue of *Information Paper: Introduction of the 15th Series Australian Consumer Price Index 2005* (cat. no. 6462.0), released on 30 September, which advised new weights and format for the 15th Series Australian Consumer Price Index.

Some minor changes have been made to the weights and associated commentary after a problem was discovered with the way the 2003-04 expenditure shares for the 15th series CPI were revalued to June quarter 2005 prices. These changes have no effect on any previously published CPI data and are made in order to maintain an accurate public record in relation to the forthcoming CPI. These changes are reflected in appendixes 2 and 3 and in the commentary on pages 5 to 7.

The key features of this information paper remain unchanged.

The 15th series Australian Consumer Price index will be incorporated into the September quarter 2005 CPI, which will be published as previously advised on 26 October 2005.

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PREFACE

The purpose of this Information Paper is to describe the changes that will be made to the Consumer Price Index (CPI) as a result of the introduction of the 15th series. The first CPI publication on the basis of the 15th series will be in respect of September quarter 2005, which is due to be released 26 October 2005.

Since 1960, when the Consumer Price Index (CPI) was first compiled, the Australian Bureau of Statistics (ABS) has maintained a program of periodic reviews of the CPI to ensure that it continues to meet community needs. The main objective of these reviews is to update item weights but they also provide an opportunity to reassess the scope and coverage of the index.

The scope of each review varies depending on the range of issues needing to be considered. The current (15th series) review is classified as a 'minor review' because it was largely restricted to updating the weights in the CPI basket. It is also implementing a decision first announced as part of the last 'major review' (the 13th series review conducted during 1997 and 1998) to introduce a price index for financial services into the CPI. As a result of it being classified as a minor review, formal user consultation was limited. Users involved in the 13th series review were informed of the 15th series review by the ABS in early 2005. Other users of the CPI were informed of the 15th series review in an appendix to the March quarter 2005 CPI publication. All users were invited to provide written comments on issues of interest to them.

This Information Paper describes the broad outcomes from the 15th series CPI review. It describes the data used in deriving the weights and the ways in which some of the data have been adjusted to fit in with the CPI requirements and presents the updated weighting patterns, details of the changes to the structure of the index (mainly due to including financial services in the CPI) and some background on the major shifts in weights between the 14th and 15th series.

The ABS will release an updated *Guide to the Consumer Price Index: 15th Series* (cat. no. 6440.0) in conjunction with the release of the 15th series CPI on 26 October 2005. A very detailed description of CPI concepts, the data used in compiling it, and the methodology underlying the CPI can be found in *Australian Consumer Price Index: Concepts, Sources and Methods, 2005* (cat. no. 6461.0), which will be updated over the next few months to reflect the changes made during the 15th series review. An updated version is expected to be released early in 2006.

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BACKGROUND

BACKGROUND

The Australian Bureau of Statistics (ABS) first compiled the CPI in 1960 with series extending back to September quarter 1948. Prior to introducing the CPI, the ABS and its predecessor agency, the Commonwealth Bureau of Census and Statistics, produced a number of discrete retail price indexes, each constructed with fixed quantity weights but spanning different lengths of time from 1901 to 1960. See *Australian Consumer Price Index: Concepts, Sources and Methods, 2005* (cat. no. 6461.0) for more detail. The introduction of the CPI heralded a different approach to constructing price indexes. Rather than compiling a set of discrete fixed-weighted indexes, the objective became to produce a series of short-term fixed-weighted indexes that were to be regularly linked together to provide a single continuous measure of price change. This strategy was adopted to ensure that, at any point in time, the weighting patterns and item coverage of the CPI were relevant to user requirements and reflected contemporary economic conditions as well as possible. As a result, the ABS has maintained a program of periodic reviews of the CPI to ensure that it continues to meet community needs.

The most important objective of these reviews is to update the CPI weighting patterns. When analysing a new set of CPI weights compared with the previous set, it is important to note that the weights are relative to each other rather than being absolute. As a result, the weight of a good or service could fall, for example, even though the expenditure per household on the product has increased because the increase is less than the average increase for all products.

The ABS classifies CPI reviews as either 'major' or 'minor' depending on the issues being considered during a particular review. In general, a minor review is restricted mainly to updating the weighting patterns in the CPI. As well as updating the weights, a major review involves examining the structure and purpose of the CPI, its underlying classification and its commodity coverage. In undertaking major reviews, the ABS consults extensively with a broad range of users.

The 2005 CPI review is considered to be a minor one, as was the previous (14th series) review which was conducted in 2000 to ensure the CPI adequately covered the introduction of the GST. The last major review was the 13th series review conducted during 1997 and 1998. The issues considered during the review were presented in *Information Paper: Issues to be Considered During the 13th Series Australian Consumer Price index Review* (cat. no. 6451.0) and the major changes resulting from it were presented in *Information Paper: Outcome of the 13th Series Australian Consumer Price Index Review* (cat. no. 6453.0). The two principal decisions that emerged from the review were:

- The Australian community would be best served by a CPI designed specifically to provide a general measure of price inflation for the household sector as a whole. Accordingly, the ABS adopted the acquisitions approach for the construction of the index and utilised a weighting pattern representative of all private households in the eight capital cities. The most noticeable changes from the previous CPI were the exclusion of mortgage interest and consumer credit charges from the index and the inclusion of net expenditure on new dwellings (excluding land).
- The population coverage of the CPI was expanded from the previous restriction to wage and salary earner households to cover all private households in the eight capital cities. This resulted in the population coverage increasing from 29% to 64% of Australian private households.

BACKGROUND continued

BACKGROUND continued

In addition, an outcome of the 13th series review was that the ABS should '..... develop, and include in the CPI, indexes to measure changes in the prices paid by households for a range of financial services including those incurred in respect of borrowings, savings, maintenance of accounts with financial institutions, accessing investment advice and the purchase of shares, etc. These measures will cover both direct fees and charges and indirect costs incorporated in the interest rate margins of financial intermediaries.....'. Initially the ABS had hoped that the price indexes for financial services could be included in the 14th series CPI. However, it was not possible to develop the indexes and obtain a sufficiently long time series of back data to test whether the indexes would meet the level of reliability required to include them in the CPI in the timeframe required for releasing the 14th series CPI. These indexes were released as experimental series in *Information Paper: Experimental Price Indexes for Financial Services, 1998 to 2003* (cat. no. 6413.0) on 12 July 2004 and they have been updated quarterly. Indexes for financial services will be included in a new group ('Financial and insurance services') in the 15th series CPI.

This information paper provides the details of the new CPI structure and weighting pattern. A mock-up of the September quarter 2005 issue of *Consumer Price Index*, *Australia* (cat. no. 6401.0) to be released on 26 October 2005, is reproduced as Appendix 5 to provide users with advance notice of the changes that will be incorporated.

A Guide to the Consumer Price Index: 15th Series (cat. no. 6440.0) and Consumer Price Index: Concordance with Household Expenditure Classification (cat. no. 6446.0.55.001) will also be released on 26 October 2005.

A spreadsheet outlining further details of the 15th series CPI has been released on the ABS web site. A data cube headed *Consumer Price Index: 15th Series Weighting Pattern* (cat. no. 6430.0) contains the 15th series weights and points contributions for the weighted average of eight capital cities, the 15th series weights for the eight capital cities and the city percentage contributions to the weighted average.

KEY CHANGES IN THE 15TH SERIES CPI

KEY CHANGES IN THE 15TH SERIES CPI The main outcomes of the 15th series review are:

- weights have been updated based on the 2003-04 Household Expenditure Survey (HES);
- introduction of financial services into the CPI in a new group 'Financial and insurance services';
- introduction of an Australian hedonic price index for personal computers; and
- some reclassifications and renaming of existing categories within the CPI structure.

COMMODITY CLASSIFICATION The CPI commodity classification is a demand–based classification that broadly aligns with the Classification of Individual Consumption by Purpose (COICOP). The introduction of the 15th series has provided the opportunity to review and update the CPI commodity classification. The changes to the CPI structure are set out in Appendix 1. Broadly, the changes to be introduced in the 15th series are:

NAME CHANGES:

- 1. 'Household furnishings, supplies and services' (HFSS) group to be renamed 'Household contents and services' group.
- 2. 'Household services' expenditure class to be renamed 'Other household services'.
- 3. 'Clothing accessories, supplies and services' subgroup to be renamed 'Accessories and clothing services'.
- 4. 'Clothing accessories and jewellery' expenditure class to be renamed 'Accessories'.

NEW SERIES:

1. Financial services to be introduced into the CPI and included in a new group 'Financial and insurance services'. Financial services will have two expenditure classes: 'Deposit and loan facilities' and 'Other financial services'.

RECLASSIFICATIONS:

- 1. 'Insurance services' subgroup to be reclassified to the 'Financial and insurance services' group.
- 2. 'Toiletries and personal care products' expenditure class to be reclassified to the 'Household supplies' subgroup in the 'Household contents and services' group.
- 3. 'Hairdressing and personal care services' expenditure class and 'Child care' expenditure class to be reclassified to the 'Household services' subgroup in the 'Household contents and services' group.

DISCONTINUED CATEGORIES:

- 1. 'Miscellaneous' group to be dropped. The removal of insurance services from the 'Miscellaneous' group results in only three remaining expenditure classes: 'Hairdressing and personal care services', 'Toiletries and personal care products' and 'Child care'. The heterogeneous nature of these remaining items and their small weights do not justify the retention of this group.
- 2. 'Fabric and knitting wool' expenditure class to be dropped. The weight to be shifted to the 'Toys, games and hobbies' expenditure class in the 'Recreation' group.

COMMODITY CLASSIFICATION continued

SPECIAL SERIES:

- 1. Special and analytical series weights to be updated to reflect the 15th series expenditure patterns. The concordance of the expenditure classes in the special and analytical series indexes are available in Appendix 1 of the September quarter 2005 issue of *Consumer Price Index, Australia* (cat. no. 6401.0). There will be no changes to the classifications of the goods and services, tradables and non-tradables or volatile indexes for existing items in the 15th series.
- 2. Financial services to be classified as non-tradable, non-volatile, market services.
- 3. 'All groups excluding Miscellaneous' to be dropped in line with the changes to the CPI.
- 4. 'All groups excluding Household furnishings, supplies and services' to be renamed 'All groups excluding Household contents and services'.
- 5. Two new special series to be created for the 15th series: 'All groups excluding Financial and insurance services' and 'All groups excluding Housing and Financial and insurance services'. These series will be available quarterly in Table 8 of *Consumer Price Index*, *Australia* (cat. no. 6401.0). The time series will be available back to September quarter 1989.
- 6. 'All groups excluding Housing and Financial and insurance services' series to replace 'All groups excluding Housing' in Key Figures on page 1, Tables 9 and 10 (Analytical series), and Tables 11 and 12 (International comparisons). This is in accordance with the Resolution Concerning Consumer Price Indexes adopted by the Seventeenth International Conference of Labour Statisticians in 2003.

INTRODUCTION OF FINANCIAL SERVICES

The development of price indexes for the major financial services acquired by households began after the 13th series CPI review. An *Information Paper: Experimental Price Indexes for Financial Services, 1998 to 2003* (cat. no. 6413.0) was released in July 2004 and the experimental series has since been published quarterly in *Experimental Price Indexes for Financial Services* (cat. no. 6413.0.55.001). The final issue of this publication was June quarter 2005.

Financial services will be introduced into the CPI in the 15th series in the September quarter 2005 publication. Financial services price indexes will be published for two components: Deposit and loan facilities and Other financial services. Deposit and loan facilities will include indirect charges recouped by intermediaries (the difference between interest paid on deposits and interest charged on loans), direct fees, and taxes levied on deposit and loan facilities provided to households by deposit-taking institutions. Other financial services will be restricted to services provided by stockbrokers and real estate agencies, legal and conveyancing fees, and duties levied on relevant transactions. The construction of price indexes for services provided by fund managers, life insurance offices and superannuation funds has not yet been attempted and there are no plans to move into those fields.

INTRODUCTION OF A
HEDONIC PRICE INDEX
FOR PERSONAL
COMPUTERS

The methodology for compiling price movements for computers will be changed to an Australian hedonic price index in September quarter 2005. This will replace the previous methodology of using the US Bureau of Labor Statistics hedonic computer index and adjusting for changes in the \$A/\$US exchange rate.

Details of the ABS approach to producing hedonic price indexes for personal computers are presented in *Information Paper: The Introduction of Hedonic Price Indexes for Personal Computers, 2005* (cat. no. 6458.0), released in February 2005.

15th SERIES WEIGHTS

The CPI weights reflect the relative expenditures of the CPI population group as a whole and not those of any particular type or size of household. As such, the weights reflect average expenditure of households and not the expenditure of an 'average household'.

The 15th series weights as at June quarter 2005 are shown in Appendix 2. Appendix 3 contains the weights for the 15th series (June quarter 2005), the 15th series excluding financial services (June quarter 2005), and the 14th series (June quarter 2000). Appendix 4 provides a description of the sources and methods used to determine the 15th series weights.

In analysing the changes to the CPI weighting pattern over time a number of points should be noted.

Quantities underlying the weights are fixed

Although the weights are expressed in terms of expenditure shares, it is not the expenditure shares that are held constant (or fixed) from period to period. What is held constant are the quantities of goods or services underpinning these expenditures (where expenditure is given by the product of quantity and price). Presentation of weights in expenditure terms reflects the fact that it is simply not possible to present quantity weights in a meaningful way. The relative expenditure shares of items will change over time in response to changes in relative prices. The weights in the 15th series CPI generally relate to expenditures in 2003-04, revalued to June quarter 2005 (the 'link' quarter) prices to maintain fixed '2003-04 quantities'.

Weights are relative

The weight of an expenditure class in any particular CPI series depends on how expenditure on that class compares to total expenditure (ie. expenditure shares), rather than the absolute expenditure. If the increase in expenditure on a particular expenditure class in the reference period is greater than the increase in total expenditure between two series, the weight of that expenditure class will increase. For example, between the 14th and 15th series, expenditures on Telecommunication increased by more than the increase in overall expenditures. As a result the weight of Telecommunication increased from 2.73% in the 14th series to 3.47% in the 15th series excluding financial services (which were not included in the 14th series CPI). Conversely, if the increase in expenditure on a particular expenditure class in the reference period is less than the increase in total expenditure between two series, the weight of that expenditure class will decrease. For example, in the 15th series, expenditures on Motor vehicles increased by less than the increase in overall expenditures. As a result the weight of Motor vehicles fell from 5.85% in the 14th series to 5.32% in the 15th series excluding financial services.

Changes to coverage

Changes in the coverage of the CPI basket will also affect weighting patterns. The expansion of the CPI basket to include financial services in the 15th series with a weight of 7.81% has resulted in a fall of 7.81% in the weights of all other components. At the group level, Health, Communication and Education are the only existing groups with an increased weight in the 15th series after the inclusion of financial services.

Price and volume effects

The changes in CPI weights between the 14th and 15th series can be broken down into price and volume effects. The volume change captures both quality and quantity changes between the reference years 1998-99 and 2003-04. The volume changes were calculated by comparing the expenditures in 2003-04 valued at June quarter 2005 prices with the 1998-99 expenditures also valued at June quarter 2005 prices. CPI price movements between the introduction of the two series (June quarter 2000 and June quarter 2005) were used as the measure of price change.

Examples of expenditure classes with large changes to their weights between the 14th and 15th series excluding financial services are provided below.

Examples of expenditure classes with large increases in weight excluding financial services:

Telecommunication weight increased from 2.73% to 3.47%. Average weekly expenditure on Telecommunication increased from \$20.87 in 1998-99 (at June quarter 2000 prices) to \$33.90 in 2003-04 (at June quarter 2005 prices). The increase in expenditure (62%) was greater than the increase at the All groups level (27%). The increase in expenditure was due to a volume increase of 43% and a price increase of 13%. The volume increase was driven by the increased usage of mobile telephony and internet services.

House purchase weight increased from 7.86% to 8.54%. Average weekly expenditure on House purchase increased from \$60.74 in 1998-99 (at June quarter 2000 prices) to \$83.33 in 2003-04 (at June quarter 2005 prices), an increase of 37% due to a volume increase of 4% and a price increase of 31%.

House repairs and maintenance weight increased from 1.85% to 2.36%. Average weekly expenditure on House repairs and maintenance increased from \$14.34 in 1998-99 (at June quarter 2000 prices) to \$23.06 in 2003-04 (at June quarter 2005 prices). This was due to a volume increase of 27% and a price increase of 26%.

Audio, visual and computing equipment weight increased from 1.30% to 1.66%. Average weekly expenditure on Audio, visual and computing equipment increased from \$10.24 in 1998-99 (at June quarter 2000 prices) to \$16.24 in 2003-04 (at June quarter 2005 prices). This was due to a volume increase of 214% and a price fall of 49%.

Tobacco weight increased from 2.27% to 2.62%. Average weekly expenditure on Tobacco increased from \$17.56 in 1998-99 (at June quarter 2000 prices) to \$25.54 in 2003-04 (at June quarter 2005 prices). This was due to a price increase of 44% and a volume increase of 1%.

Price and volume effects continued

Examples of expenditure classes with large decreases in weight excluding financial services:

Motor vehicles weight decreased from 5.85% to 5.32%. Average weekly expenditure on Motor vehicles increased from \$45.36 in 1998-99 (at June quarter 2000 prices) to \$51.87 in 2003-04 (at June quarter 2005 prices). The increase in expenditure (14%) was less than the increase at the All groups level (27%). The change in Motor vehicle expenditure was due to a volume increase of 21% and a price fall of 5%.

Soft drinks, waters and juices weight fell from 1.30% to 0.98%. Average weekly expenditures on Soft drinks, waters and juices decreased from \$9.95 in 1998-99 (at June quarter 2000 prices) to \$9.60 in 2003-04 (at June quarter 2005 prices). This was due to a price increase of 9% and a volume fall of 12%.

Beer weight decreased from 2.41% to 2.10%. Average weekly expenditure on Beer increased from \$18.35 in 1998-99 (at June quarter 2000 prices) to \$20.44 in 2003-04 (at June quarter 2005 prices). This was due to a price increase of 30% and a volume fall of 14%. Quantities of beer purchased according to excise data also fell during the same period.

Automotive fuel weight decreased from 4.25% to 4.10%. Average weekly expenditure on Automotive fuel increased from \$32.00 in 1998-99 (at June quarter 2000 prices) to \$40.04 in 2003-04 (at June quarter 2005 prices). This was due to a price increase of 33% and a volume fall of 6%. The volume fall is broadly consistent with improvements in the average rate of fuel efficiency for passenger vehicles and falls in the volume of petrol purchased per household according to excise data. The change in expenditure may also have been affected by improvements in the measurement of expenditure on automotive fuel in the Household Expenditure Survey, which is the main data source for CPI weights.

APPENDIX 1 CHANGES TO THE CPI COMMODITY CLASSIFICATION

15TH SERIES CHANGES TO THE CPI COMMODITY CLASSIFICATION

STRUCTURE, 15TH SERIES CPI		15TH SERIES	STRUCT	URE, 14TH SERIES CPI	14TH SERIES
	Group, subgroup and expenditure class			Group, subgroup and expenditure class	
3	CLOTHING AND FOOTWEAR		3	CLOTHING AND FOOTWEAR	
3.5	Accessories and clothing services	Renamed	3.5	Clothing accessories, supplies and	
				services	
3.5.1	Accessories	Renamed	3.5.1	Clothing accessories and jewellery	
			3.5.2	Fabrics and knitting wool	Weight moved
					to 9.3.2
3.5.2	Clothing services and shoe repair		3.5.3	Clothing services and shoe repair	
5	HOUSEHOLD CONTENTS		5	HOUSEHOLD FURNISHINGS,	
	AND SERVICES	Renamed		SUPPLIES AND SERVICES	
5.3	Household supplies		5.3	Household supplies	
5.3.1	Household cleaning agents		5.3.1	Household cleaning agents	
5.3.2	Toiletries and personal care				
	products	Old 11.2.2		6	
5.3.3	Other household supplies		5.3.2	Other household supplies	
5.4	Household services	011440	5.4	Household services	
5.4.1	Childcare	Old 11.3.1			
5.4.2	Hairdressing and personal	044.0.4			
	care services	Old 11.2.1			
5.4.3	Other household services	Renamed	5.4.1	Household services	
9	RECREATION		9	RECREATION	
9.3	Sport and other recreation		9.3	Sport and other recreation	
9.3.1	Sports and recreational equipment		9.3.1	Sports and recreational equipment	
9.3.2	Toys, games and hobbies	Weight now	9.3.2	Toys, games and hobbies	
		includes Old			
		3.5.2			
9.3.3	Sports participation		9.3.3	Sports participation	
9.3.4	Pets, pet foods and supplies		9.3.4	Pets, pet foods and supplies	
9.3.5	Pet services including veterinary		9.3.5	Pet services including veterinary	
9.3.7	Other recreational activities		9.3.7	Other recreational activities	
			11	MISCELLANEOUS	Dropped
			11.1	Insurance services	Moved to 11.2
			11.1.1	Insurance services	Moved to 11.2.2
			11.2	Personal care	Dropped
			11.2.1	Hairdressing and personal care services	Moved to 5.4.2
			11.2.2	Toiletries and personal care products	Moved to 5.3.2
			11.3	Child care	Dropped
			11.3.1		Moved to 5.4.1
11	FINANCIAL AND INSURANCE				5.00 00 01 111
	SERVICES	New			
11.1	Financial services	New			
11.1.1		New			
11.1.2	•	New			
11.2	Insurance services	Old 11.1			
	Insurance services	Old 11.1.1			

WEIGHTING PATTERN, 15TH SERIES CPI, JUNE QUARTER 2005, EIGHT CAPITAL CITIES

> PERCENTAGE CONTRIBUTION TO THE ALL GROUPS CPI IN JUNE QUARTER 2005

Group, subgroup and expenditure class	Group	Subgroup	Expenditure Class
· · · · · ·	15.44	0 ,	
FOOD Dairy and related products	15.44	1.19	
Milk		1.13	0.55
Cheese			0.32
Ice cream and other dairy products			0.31
Bread and cereal products		1.72	
Bread			0.63
Cakes and biscuits			0.71
Breakfast cereals			0.20
Other cereal products			0.18
Meat and seafoods		2.42	
Beef and veal			0.50
Lamb and mutton			0.26
Pork			0.16
Poultry			0.48
Bacon and ham			0.23
Other fresh and processed meat			0.38
Fish and other seafood			0.41
Fruit and vegetables		2.11	
Fruit			0.95
Vegetables			1.15
Non-alcoholic drinks and snack food		1.96	
Soft drinks, waters and juices			0.91
Snacks and confectionery			1.05
Meals out and take away foods		4.56	
Restaurant meals			2.00
Take away and fast foods			2.56
Other food		1.49	
Eggs			0.10
Jams, honey and sandwich spreads			0.15
Tea, coffee and food drinks			0.24
Food additives and condiments			0.27
Fats and oils			0.19
Food n.e.c.	0.70		0.54
ALCOHOL AND TOBACCO Alcoholic drinks	6.79	4.38	
Beer		4.30	1.93
Wine			1.57
Spirits			0.87
Tobacco		2.41	0.67
Tobacco		2.41	2.41
CLOTHING AND FOOTWEAR	3.91		2.41
Men's clothing	3.31	0.75	
Men's outerwear		0.73	0.64
Men's underwear, nightwear and socks			0.11
Women's clothing		1.41	0.11
Women's outerwear		1.71	1.13
Women's underwear, nightwear and hosiery			0.27
Children's and infants' clothing		0.40	0.2.
Children's and infants' clothing			0.40
Footwear		0.64	
Men's footwear			0.18
Women's footwear			0.34
Children's footwear			0.12
Accessories and clothing services		0.72	
Accessories			0.56
Clothing services and shoe repair			0.16
			1.10

WEIGHTING PATTERN, 15TH SERIES CPI, JUNE QUARTER 2005, EIGHT CAPITAL CITIES continued

PERCENTAGE CONTRIBUTION TO THE ALL GROUPS CPI IN JUNE QUARTER 2005

			Expenditure
Group, subgroup and expenditure class	Group	Subgroup	Class
HOUSING	19.53		
Rents		5.22	
Rents			5.22
Utilities		3.10	
Electricity			1.63
Gas and other household fuels			0.70
Water and sewerage			0.77
Other housing		11.21	
House purchase			7.87
Property rates and charges			1.16
House repairs and maintenance			2.18
HOUSEHOLD CONTENTS AND SERVICES	9.61		
Furniture and furnishings		3.13	
Furniture			1.96
Floor and window coverings			0.78
Towels and linen			0.39
Household appliances, utensils and tools		1.76	
Major household appliances			0.67
Small electric household appliances			0.27
Glassware, tableware and household utensils			0.47
Tools			0.35
Household supplies		2.91	
Household cleaning agents			0.33
Toiletries and personal care products			1.18
Other household supplies			1.40
Household services		1.81	
Child care			0.45
Hairdressing and personal care services			0.75
Other household services			0.60
HEALTH	4.70		
Health services		3.56	
Hospital and medical services			2.77
Optical services			0.12
Dental services			0.67
Pharmaceuticals		1.14	
Pharmaceuticals			1.14
TRANSPORTATION	13.11		
Private motoring		12.38	
Motor vehicles			4.90
Automotive fuel			3.78
Motor vehicle repair and servicing			1.99
Motor vehicle parts and accessories			0.68
Other motoring charges			1.02
Urban transport fares		0.73	
Urban transport fares			0.73
COMMUNICATION	3.31		
Communication		3.31	
Postal			0.11
Telecommunication			3.20

WEIGHTING PATTERN, 15TH SERIES CPI, JUNE QUARTER 2005, EIGHT CAPITAL CITIES continued

> PERCENTAGE CONTRIBUTION TO THE ALL GROUPS CPI IN JUNE QUARTER 2005

ALL GROUPS	100.00	100.00	100.00
Insurance services			1.50
Insurance services		1.50	
Other financial services			3.34
Deposit and loan facilities			4.47
Financial services		7.81	
FINANCIAL AND INSURANCE SERVICES	9.31		
Tertiary education			1.26
Secondary education			0.94
Preschool and primary education		2.70	0.53
Education		2.73	
EDUCATION	2.73		1.75
Overseas holiday travel and accommodation			1.79
Domestic holiday travel and accommodation		4.00	2.27
Holiday travel and accommodation		4.06	1.09
Other recreational activities			1.09
Pet services including veterinary			0.40
Pets, pet foods and supplies			0.75
Sports participation			0.73
Toys, games and hobbies			0.55
Sports and recreational equipment		5.72	0.55
Sport and other recreation		3.72	0.41
Newspapers and magazines			0.44
Books, newspapers and magazines Books		0.85	0.44
Audio, visual and computing media and services Books, newspapers and magazines		0.85	1.38
Audio, visual and computing equipment			1.53
Audio, visual and computing		2.92	4.50
RECREATION	11.55		
	•	2 2 2 2	
Group, subgroup and expenditure class	Group	Subgroup	Class
			Expenditure

WEIGHTS, 14TH AND 15TH SERIES CPI, EIGHT CAPITAL CITIES

PERCENTAGE CONTRIBUTION TO TOTAL CPI

	***************************************	•••••	••••••
	15th series	15th series	
	Including	Excluding	
	financial	financial	14th
	services	services	series
	June 2005	June 2005	June 2000
Group, subgroup and expenditure class	prices	prices	prices
FOOD	15.44	16.75	17.72
Dairy and related products	1.19	1.29	1.51
Milk	0.55	0.60	0.81
Cheese	0.32	0.35	0.35
Ice cream and other dairy products	0.31	0.34	0.35
Bread and cereal products	1.72	1.87	2.20
Bread	0.63	0.69	0.82
Cakes and biscuits	0.71	0.77	0.87
Breakfast cereals	0.20	0.21	0.24
Other cereal products	0.18	0.19	0.26
Meat and seafoods	2.42	2.62	2.62
Beef and veal	0.50	0.54	0.54
Lamb and mutton	0.26	0.28	0.26
Pork	0.16	0.18	0.19
Poultry	0.48	0.52	0.49
Bacon and ham	0.23	0.25	0.26
Other fresh and processed meat	0.38	0.41	0.43
Fish and other seafood	0.41 2.11	0.45 2.29	0.44 2.30
Fruit and vegetables Fruit	0.95	1.04	0.96
Vegetables	1.15	1.25	1.34
Non-alcoholic drinks and snack food	1.96	2.12	2.48
Soft drinks, waters and juices	0.91	0.98	1.30
Snacks and confectionery	1.05	1.14	1.19
Meals out and take away foods	4.56	4.95	4.93
Restaurant meals	2.00	2.17	2.03
Take away and fast foods	2.56	2.77	2.89
Other food	1.49	1.61	1.69
Eggs	0.10	0.11	0.12
Jams, honey and sandwich spreads	0.15	0.16	0.17
Tea, coffee and food drinks	0.24	0.26	0.32
Food additives and condiments	0.27	0.29	0.34
Fats and oils	0.19	0.20	0.21
Food n.e.c.	0.54	0.59	0.53
ALCOHOL AND TOBACCO Alcoholic drinks	6.79 4.38	7.37	7.41 5.14
Beer Seer	1.93	4.75 2.10	2.41
Wine	1.57	1.70	1.71
Spirits	0.87	0.95	1.03
Tobacco	2.41	2.62	2.27
Tobacco	2.41	2.62	2.27
CLOTHING AND FOOTWEAR	3.91	4.25	5.19
Men's clothing	0.75	0.81	0.98
Men's outerwear	0.64	0.69	0.82
Men's underwear, nightwear and socks	0.11	0.12	0.16
Women's clothing	1.41	1.53	1.80
Women's outerwear	1.13	1.23	1.43
Women's underwear, nightwear and hosiery	0.27	0.30	0.37
Children's and infants' clothing	0.40	0.43	0.47
Children's and infants' clothing	0.40	0.43	0.47
Footwear Monla facturear	0.64	0.69	0.83
Men's footwear Women's footwear	0.18 0.34	0.19 0.37	0.25 0.39
Children's footwear	0.34	0.37	0.39
Official 100tweat	0.12	0.13	0.19

WEIGHTS, 14TH AND 15TH SERIES CPI, EIGHT CAPITAL CITIES

PERCENTAGE CONTRIBUTION TO

	TOTAL CPI		
	15th series Including	15th series Excluding	
	financial services	financial services	14th series
Group, subgroup and expenditure class	June 2005 prices	June 2005 prices	June 2000 prices
Accessories and clothing services	0.72	0.78	1.10
Accessories	0.56	0.60	0.73
Clothing services and shoe repair	0.16	0.17	0.37
HOUSING	19.53	21.18	19.75
Rents	5.22	5.66	5.60
Rents	5.22	5.66	5.60
Utilities Electricity	3.10 1.63	3.36 1.77	3.23 1.66
Electricity Gas and other household fuels	0.70	0.76	0.70
Water and sewerage	0.77	0.70	0.70
Other housing	11.21	12.16	10.91
House purchase	7.87	8.54	7.86
Property rates and charges	1.16	1.26	1.20
House repairs and maintenance	2.18	2.36	1.85
HOUSEHOLD CONTENTS AND SERVICES	9.61	10.42	10.67
Furniture and furnishings	3.13	3.39	3.58
Furniture	1.96	2.12	2.31
Floor and window coverings	0.78	0.84	0.72
Towels and linen	0.39 1.76	0.43 1.91	0.55 1.98
Household appliances, utensils and tools Major household appliances	0.67	0.73	0.87
Small electric household appliances	0.27	0.73	0.28
Glassware, tableware and household utensils	0.47	0.51	0.49
Tools	0.35	0.38	0.34
Household supplies	2.91	3.16	3.31
Household cleaning agents	0.33	0.35	0.43
Toiletries and personal care products	1.18	1.28	1.40
Other household supplies	1.40	1.52	1.48
Household services	1.81	1.96	1.80
Child care	0.45	0.49	0.44
Hairdressing and personal care services	0.75	0.82	0.74 0.62
Other household services HEALTH	0.60 4.70	0.65 5.10	4.69
Health services	3.56	3.87	3.55
Hospital and medical services	2.77	3.01	2.71
Optical services	0.12	0.13	0.16
Dental services	0.67	0.73	0.69
Pharmaceuticals	1.14	1.23	1.14
Pharmaceuticals	1.14	1.23	1.14
TRANSPORTATION	13.11	14.22	15.25
Private motoring	12.38	13.43	14.40
Motor vehicles Automotive fuel	4.90	5.32	5.85
Motor vehicle repair and servicing	3.78 1.99	4.10 2.16	4.25 2.20
Motor vehicle parts and accessories	0.68	0.74	1.01
Other motoring charges	1.02	1.11	1.09
Urban transport fares	0.73	0.79	0.85
Urban transport fares	0.73	0.79	0.85
COMMUNICATION	3.31	3.59	2.88
Communication	3.31	3.59	2.88
Postal	0.11	0.12	0.15
Telecommunication	3.20	3.47	2.73

WEIGHTS, 14TH AND 15TH SERIES CPI, EIGHT CAPITAL CITIES

PERCENTAGE CONTRIBUTION TO TOTAL CPI

		•••••	•••••
	15th series	15th series	
	Including	Excluding	
	financial	financial	14th
	services	services	series
Crown subgroup and synanditure class	June 2005	June 2005	June 2000
Group, subgroup and expenditure class	prices	prices	prices
RECREATION	11.55	12.53	12.29
Audio, visual and computing	2.92	3.16	2.70
Audio, visual and computing equipment	1.53	1.66	1.30
Audio, visual and computing media and services	1.38	1.50	1.40
Books, newspapers and magazines	0.85	0.92	1.08
Books	0.44	0.48	0.49
Newspapers and magazines	0.41	0.44	0.59
Sport and other recreation	3.72	4.04	4.16
Sports and recreational equipment	0.55	0.60	0.65
Toys, games and hobbies	0.51	0.56	0.52
Sports participation	0.73	0.79	0.81
Pets, pet foods and supplies	0.40	0.43	0.43
Pet services including veterinary	0.44	0.48	0.33
Other recreational activities	1.09	1.18	1.41
Holiday travel and accommodation	4.06	4.41	4.35
Domestic holiday travel and accommodation	2.27	2.46	2.40
Overseas holiday travel and accommodation	1.79	1.94	1.95
EDUCATION	2.73	2.97	2.69
Education	2.73	2.97	2.69
Preschool and primary education	0.53	0.57	0.50
Secondary education	0.94	1.02	0.94
Tertiary education	1.26	1.37	1.25
FINANCIAL AND INSURANCE SERVICES	9.31	1.63	1.46
Financial services	7.81		
Deposit and loan facilities	4.47		
Other financial services	3.34		
Insurance services	1.50	1.63	1.46
Insurance services	1.50	1.63	1.46
ALL GROUPS	100.00	100.00	100.00

^{..} not applicable

15TH SERIES CPI REWEIGHT SOURCES AND METHODS

The comprehensive description of the CPI concepts, sources and methods is outlined in *Australian Consumer Price Index: Concepts, Sources and Methods* (cat. no. 6461.0). This will be updated to reflect the 15th series in early 2006. This appendix contains selected sources and methods relevant to the 15th series CPI, pending the 2006 release.

The 15th series CPI – consistent with the 13th and 14th series – has been specifically designed *as a general measure of price inflation for the household sector as a whole.* The CPI measures changes in the price of a fixed basket of goods and services acquired by consumers in metropolitan private households.

In determining the composition of the CPI basket (and item weights), the objective is to reflect the contemporary experiences of households. The starting point for compiling the weight for the 15th series CPI was the results of the 2003-04 Household Expenditure Survey (HES) gathered by the ABS. The HES obtained information on the spending habits of Australian households throughout 2003-04.

HES data

The HES is a sample of approximately 7000 households. Data are collected using a diary of personal expenditures in which usual residents aged 15 years and over record their expenditure over a two week period. An interview questionnaire also collects information on household characteristics, expenditures common to all household members (e.g. health service payments) and irregular or infrequent expenditures. The recall period for the irregular or infrequent expenditures varies from 3 months (furniture, house repairs); last payment (general rates, electricity, health services); and the last 12 months (motor vehicle purchase, motor vehicle repair and maintenance, education, insurance, overseas holiday travel, house alterations and additions).

The detailed HES expenditure items in the Household Expenditure Classification (HEC) were concorded to the appropriate CPI expenditure class. Most HEC codes have a direct concordance to one CPI expenditure class. Where a one-to-one correspondance could not be established due to the broad nature of a HEC code or insufficient information being provided by households, splits were determined either prorata, using industry data or subjectively across appropriate expenditure classes. In most cases the expenditures involved were relatively small. The CPI to HEC concordance will be available as an EXCEL spreadsheet in *Consumer Price Index: Concordance with Household Expenditure Classification, Australia* (cat. no. 6446.0.55.001) on 26 October 2005.

The concordance was applied to the HES data to derive average weekly expenditures for 2003-04 at the expenditure class level. The average weekly expenditures were used to analyse both the 2003-04 expenditures and the changes since the 1998-99 HES.

Although the HES provides a comprehensive coverage of household expenditures, various adjustments were required to be made to the HES average weekly expenditures for use as the CPI weights. In most cases the adjustments to expenditures were made without compensating adjustments to other expenditures in the CPI basket. The implication is that changes in such expenditures were assumed to have come from or gone into savings.

Adjustments to HES data

Items with recall period

Recall adjustments were applied for items with a recall period of more than 3 months (vehicle purchase, general insurances, overseas holiday travel, education) to account for any price changes between the time the household purchased the item and its inclusion in the HES. A quantity adjustment was also applied to overseas holiday travel as the recall period included 2002-03 when the numbers of Australians travelling overseas fell temporarily.

continued

Adjustments to HES data continued

Underreporting of alcohol and tobacco expenditures in the HES

Historically, HES expenditures on alcohol and tobacco have been underreported when compared to information from other sources. As a result HES estimates are adjusted for underreporting based on factors derived at the national level using household final consumption expenditure in the national accounts. These factors were applied to the HES expenditure estimates for each capital city. The 2003-04 HES has estimated expenditure for alcohol at a little over half and tobacco at a little under half of the respective national accounts estimates.

As households do not always separately identify alcohol and meal expenditures in the HES, the proportion of reported meal expenditure that was alcohol was estimated from HES unit records. Meal expenditures were then adjusted by applying the factor across all the capital cities.

Insurance

For the purpose of measuring price inflation, the weight for general insurance in the CPI should reflect the cost of the service provided by insurers (gross premium less claims) rather than just the value of gross premiums paid. However, as it is only possible for the HES to collect the gross premium, the HES gross premiums were adjusted by the proportion of the gross premium that represents the insurance service using information collected by the Australian Prudential Regulation Authority (APRA) and insurance companies. Expenditures funded by claims were added back to the appropriate items by calculating the claims payments relative to premiums using APRA and insurance company data and applying the ratio to the HES premiums.

Salary sacrifice

Salary sacrifice is an arrangement between an employee and employer whereby part of the employee's pre-tax cash salary is traded for non-cash benefits. Conceptually, these payments are part of both gross wages and salaries and household expenditure. Expenditures funded through salary sacrifice arrangements are generally not captured in the HES expenditures. Amounts that were reported to be salary sacrificed on the income side were used to adjust the average weekly household expenditures. The items that have been adjusted for salary sacrifice are telecommunication, child care, computers and motor vehicles. Salary sacrifice amounts reported against vehicles were allocated to motor vehicle purchases, registration, insurance, motor vehicle repair and servicing, and automotive fuel.

Adjustment for volume shifts

Where volumes are known to have changed significantly between the time of the HES reference period (2003-04) and the CPI link period (June quarter 2005), HES expenditures were updated to capture the volume shifts. In the 15th series, volume adjustments have been made for the purchase of computers and internet usage using preliminary data from the 2004-05 ABS Household Use of Information Technology Survey.

Aberrant expenditures

The HES data was compared across capital cities and over time to validate the 15th series expenditures at the expenditure class level. The HES expenditures in 1998-99 were revalued to 2003-04 dollars to derive the volume changes between the two HES reference years.

A number of outlier adjustments were made in the smaller cities where sample sizes are smaller and, in general, the standard errors are larger. Where outliers could not be identified, differences were investigated to see if they were valid. A small number of volume changes could not be validated, resulting in adjustments using either alternate volume data or subjective judgement.

continued

Expenditures not sourced from HES

House purchase

House purchase in the CPI represents the acquisition cost of dwellings acquired for owner occupation. These costs include the full value of newly constructed and second-hand dwellings (excluding the land component) and the value of any alterations and additions to existing dwellings. Consistent with the CPI providing a measure reflecting the experience of private households in aggregate, sales of dwellings are treated as negative purchases and netted off the gross purchase. Therefore the resulting weight reflects the value of the net increase in the volume of owner-occupied housing.

The net expenditure on house acquisition was estimated by applying the average value of private dwelling completions by capital city for 2003-04 published in *Building Acitivity*, *Australia* (cat. no. 8752.0) to the net change in the number of owner-occupier households. The net change in the number of owner-occupier households was derived by extrapolating to 2003-04 the average annual net change in owner-occupied dwellings between the 1996 Census and the 2001 Census. Subsidies paid to first home buyers as part of the Commonwealth Government's 'First Home Owners Scheme' were treated as negative expenditure and subtracted from the house acquisition expenditure.

The expenditure on alterations and additions and installed appliances was obtained from the HES and added to the estimate for house acquisition to provide the total expenditure on house purchase.

Higher Education Contributions Scheme (HECS)

The HES records HECS payments made up front plus any HECS repayments made through the taxation system during the reference period. This approach is not consistent with the conceptual basis of an acquisitions based CPI, where expenditures should reflect the cost to households of the education service incurred during the reference period. The CPI scope includes the actual payments made during the period (upfront payment) plus fees for education services acquired during the period but deferred to be paid at a later date.

As in previous series an alternate measure of expenditure on HECS was calculated using other sources, including data from the Department of Education, Science and Training (DEST), on the total upfront and deferred HECS expenditures and the number of HECS paying university students.

Financial services

Expenditures on financial services cannot be sourced from the HES as they are either not directly observable or the HES does not capture the transactions in sufficient volumes or detail.

Expenditures have been calculated for deposit and loan facilities by financial product and in aggregate for 2003-04 using a sample of accounts from a sample of deposit taking institutions. For those products identified as being consumer products, the total receipts from households were calculated by summing the dollar value of interest margins, fees and taxes at the Australia level. The fees and taxes are directly observable. The dollar values of the interest margins have been calculated by applying the percentage margin to balances at the individual product level and for deposits and loans in total. The percentage margins were calculated as the difference between the interest rate payable or receivable and a reference rate of interest. The reference rate was calculated as the mid-point of the rate paid on deposits and the rate earned on loans, whilst the interest flows and balances were used to compute interest rates (or yields). The aggregate ratio of total receipts to total balances for the sampled institutions was applied to aggregate balances for all deposit taking institutions to derive total receipts for all institutions at the national level. This national level was split into state and territory estimates using APRA

continued

Expenditures not sourced from HES continued

data. From that level the capital city level estimates were imputed by reference to aggregate data from the HES.

Data on income from property sales commissions on residential properties and from conveyancing work from *Real Estate Services*, *Australia*, *2002-03* (cat. no. 8663.0) were used to derive expenditure on real estate agency services, whilst income data from *Legal Practices*, *Australia*, *2001-02* (cat. no. 8667.0) were used to derive expenditure on legal and conveyancing services purchased by households. The national expenditures derived from these surveys were revalued to 2003-04 dollars and the aggregate expenditures reported in the 2003-04 HES were used to allocate the expenditures to capital city. National accounts household final consumption expenditure was used to derive an estimate of expenditures on stockbroking services. Expenditures on taxes on transfers were compiled using data supplied by the State Revenue Offices.



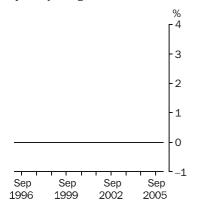
CONSUMER PRICE INDEX

AUSTRALIA

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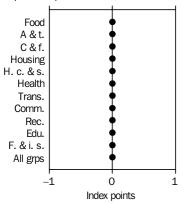
All Groups

Quarterly change



Contribution to quarterly change

September quarter 2005



INQUIRIES

For further information about these and related statistics, contact Steve Whennan on Canberra (02) 6252 6251 or the National Information and Referral Service on 1300 135 070.



KEY FIGURES

WEIGHTED AVERAGE OF EIGHT CAPITAL CITIES

Sep Qtr 2004 to Jun Qtr 2005 to Sep Qtr 2005 Sep Qtr 2005 % change % change

Food

Alcohol and tobacco

Clothing and footwear

Housing

Household contents and services

Health

Transportation

Communication

Recreation

Education

Financial and insurance services

All groups

All groups excluding Housing and Financial and insurance services

POINTS

THE ALL GROUPS CPI

OVERVIEW OF CPI MOVEMENTS

NOTE:

15th Series CPI commences this quarter. See page 2 for details.

NOTES

FORTHCOMING ISSUES

ISSUE (Quarter) RELEASE DATE

December 2005 25 January 2006 March 2006 26 April 2006

CHANGES IN THIS ISSUE This issue introdu

This issue introduces the 15th Series Australian Consumer Price Index, that incorporates an updated weighting pattern and some structure changes including the introduction of financial services into the CPI in a new group 'Financial and insurance services'. For more details of changes resulting from the introduction of the 15th Series CPI, refer to *Information Paper: Introduction of the 15th Series Australian Consumer Price Index* (cat. no. 6462.0), which was released on 30 September 2005. Details of the new weighting pattern have also been released in *Consumer Price Index: 15th Series Weighting Pattern* (cat. no. 6430.0).

Appendix 1 of this issue describes the special and analytical series presented in tables 8, 9 and 10 of this publication. There have been some changes to the groups, sub-groups and expenditure classes contributing to each of the special series as a result of the introduction of the 15th Series CPI.

Appendix 2 summarises the changes to the CPI Commodity Classification resulting from the introduction of the 15th Series CPI.

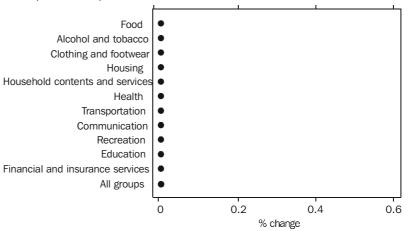
Dennis Trewin Australian Statistician

ANALYSES AND COMMENTS

MAIN CONTRIBUTORS TO CHANGE

CPI GROUPS

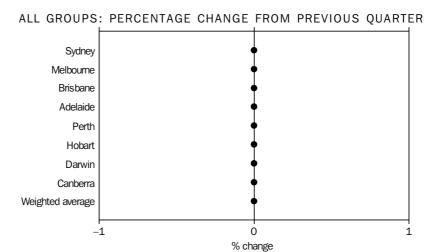
WEIGHTED AVERAGE OF EIGHT CAPITAL CITIES, Percentage change from previous quarter



The discussion of the CPI groups below is ordered in terms of their significance to the change in All groups index points (see tables 6 and 7).

CAPITAL CITIES COMPARISON

ALL GROUPS



CPI, All groups index numbers and percentage changes

	INDEX	
	NUMBER(a)	PERCENTAGE CHANGE
	Sep Qtr 2005	Jun Qtr 2005 to Sep Qtr 2004 to Sep Qtr 2005 Sep Qtr 2005
Sydney Melbourne Brisbane Adelaide Perth Hobart Darwin Canberra Weighted average of eight capital cities		
• • • • • • • • • •	• • • • • • • • • • • • •	• • • • • • • • • • • • • • • • • • • •

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

Weighted average of eight capital Period Sydney Melbourne Brisbane Adelaide Perth Hobart Darwin cities 2001-02 2002-03 2003-04 2004-05 2001 September December 2002 March June September December 2003 March June September December 2004 March June September December 2005 March June September

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

```
average
                                                                               of eight
                                                                                capital
Period
          Sydney Melbourne
                           Brisbane
                                    Adelaide
                                               Perth
PERCENTAGE CHANGE (from previous financial year)
2001-02
2002-03
2003-04
2004-05
         PERCENTAGE CHANGE (from corresponding quarter of previous year)
2001
  September
  December
2002
  March
  June
  September
  December
2003
  March
  June
  September
  December
2004
  March
  June
  September
  December
2005
  March
  June
  September
                   PERCENTAGE CHANGE (from previous quarter)
2001
  September
  December
2002
  March
  June
  September
  December
2003
  March
  June
  September
  December
2004
  March
  June
  September
  December
2005
  March
  June
  September
```

Weighted



1989-90 = 100.0.

$\hbox{CPI GROUPS, Weighted average of eight capital cities} - \hbox{Index numbers(a)} \\$

Period	Food	Alcohol and tobacco	Clothing and footwear	Housing	Household contents and services(b)	Health
					ana comoco(z)	
2001–02						
2001-02						
2003-04						
2004–05						
2001						
September						
December						
2002						
March						
June						
September						
December						
2003						
March						
June						
September						
December						
2004						
March						
June						
September						
December						
2005						
March						
June						
September						
						• • • • • • •
(a) Unless othe	rwise specified,	, base of each index:	(b) Series renam	ed and change to c	omposition (linked to 14th ser	ries

equivalent), see Appendix 2 for further information.

Financial and

Transportation Communication Recreation Education insurance services(b)(c) All groups Period

2001-02

2002-03

2003-04

2004-05

2001

September

December

2002

March June

September

December

2003

March

June

September

December

2004

March

June

September

December

2005

March

June

September

(a) Unless otherwise specified, base of each index: 1989–90 = 100.0. (c) Base: June quarter 2005 = 100.0.

(b) New series.



CPI GROUPS, Weighted average of eight capital cities—Percentage changes

Period	Food	Alcohol and tobacco		Clothing and footwear		Housing	Household contents and services(a)	Healti
• • • • • • • • • •	• • • • •	PERCENTAGE	CHANGE	(from	previous		year)	
2001–02								
2002–03								
2003–04								
2004–05								
		• • • • • • • • • • •	• • • • • • •	• • • • •			• • • • • • • • • • • •	
Р	PERCEN	TAGE CHANGE	(from c	orresp	onding q	uarter of	previous year)	
2001 September								
December								
2002								
March								
June								
September								
December								
2003								
March								
June								
September								
December								
2004								
March								
June								
September December								
2005								
March								
June								
September								
• • • • • • • • • •	• • • • •	PERCENTA	GE CHAN	IGE (fr	om previ	oue quart	ar)	• • • • • • • •
2001		TERCENTA	de Chan	IGL (II	om previ	ous quart	G1 <i>)</i>	
September								
December								
2002								
March								
June								
September								
December								
2003								
March								
June								
September December								
2004								
March								
June								
September								
December								
December 2005 March								
2005								
2005 March								

CPI GROUPS, Weighted average of eight capital cities—Percentage changes continued Financial and Period Transportation Communication Recreation Education insurance services(a) groups

2001-02 2002-03

2003-04

2004-05

PERCENTAGE CHANGE (from previous financial year)

PERCENTAGE CHANGE (from corresponding quarter of previous year)

2001

September

December

2002

March

June

September

December

2003

March

June

September

December

2004

March June

September

December

2005

March

June

September

PERCENTAGE CHANGE (from previous quarter)

2001

September

December

2002

March

June

September

December

2003

March

June

September

December

2004

March

June

September December

2005

March

June

September

(a) New series.

Weighted average of eight capital Quarters Sydney Melbourne Brisbane Adelaide Perth Hobart Darwin cities FOOD 2003 September December 2004 March June September December 2005 March June September ALCOHOL AND TOBACCO 2003 September December 2004 March June September December 2005 March June September CLOTHING AND FOOTWEAR 2003 September December 2004 March June September December 2005 March June September HOUSING 2003 September December 2004 March June September December 2005 March June September (a) Unless otherwise specified, base of each index: 1989-90 = 100.0.

Weighted average of eight capital Quarters Sydney Melbourne Brisbane Adelaide Perth Hobart Darwin cities HOUSEHOLD CONTENTS AND SERVICES (b) 2003 September December 2004 March June September December 2005 March June September HEALTH 2003 September December 2004 March June September December 2005 March June September TRANSPORTATION 2003 September December 2004 March June September December 2005 March June September COMMUNICATION 2003 September December 2004 March June September December 2005 March June September (a) Unless otherwise specified, base of each index: 1989-90 = 100.0. Series renamed and change to composition (linked to 14th series equivalent), see Appendix 2 for further information.

Weighted average of eight capital Quarters Sydney Melbourne Brisbane Adelaide Perth Hobart Darwin cities RECREATION 2003 September December 2004 March June September December 2005 March June September EDUCATION 2003 September December 2004 March June September December 2005 March June September FINANCIAL AND INSURANCE SERVICES(b)(c) 2003 September December 2004 March June September December 2005 March June September (a) Unless otherwise specified, base of each index: 1989-90 = 100.0. (c) Base: June quarter 2005 = 100.0. (b) New series.



CONTRIBUTION TO CHANGE IN ALL GROUPS INDEXES(a) - Sep Qtr 2005

Weighted average
Group, sub-group and expenditure
Class Sydney Melbourne Brisbane Adelaide Perth Hobart Darwin Canberra cities

Food

Dairy and related products

Milk

Cheese

Ice cream and other dairy

products

Bread and cereal products

Bread

Cakes and biscuits

Breakfast cereals

Other cereal products

Meat and seafoods

Beef and veal

Lamb and mutton

Pork

Poultry

Bacon and ham

Other fresh and processed meat

Fish and other seafood

Fruit and vegetables

Fruit

Vegetables

Non-alcoholic drinks and snack food

Soft drinks, waters and juices

Snacks and confectionery

Meals out and take away foods

Restaurant meals

Take away and fast foods

Other food

Eggs

Jams, honey and sandwich

spreads

Tea, coffee and food drinks

Food additives and condiments

Fats and oils

Food n.e.c.

Alcohol and tobacco

Alcoholic drinks

Beer Wine

Spirits

Tobacco

Clothing and footwear

Men's clothing

Men's outerwear

Men's underwear, nightwear and

socks

Women's clothing

Women's outerwear

Women's underwear, nightwear

and hosiery

Children's and infants' clothing

Footwear

Men's footwear

Women's footwear

Children's footwear

Accessories and clothing services(b)

Accessories(c)

Clothing services and shoe repair

(a) All groups index points.

(b) Series renamed and/or change to composition (linked to 14th series equivalent), see Appendix 2 for further information. (c) Series renamed only (linked to 14th series equivalent), see Appendix 2 for further information.information.



CONTRIBUTION TO CHANGE IN ALL GROUPS INDEXES(a) - Sep Qtr 2005 continued

Weighted average of eight capital cities

Group, sub-group and expenditure

Sydney Melbourne Brisbane Adelaide Perth Hobart Canberra

Housing

Rents

Utilities

Electricity

Gas and other household fuels

Water and sewerage

Other housing

House purchase

Property rates and charges

House repairs and maintenance

Household contents and services(b)

Furniture and furnishings

Furniture

Floor and window coverings

Towels and linen

Household appliances, utensils and

tools

Major household appliances

Small electric household

appliances

Glassware, tableware and

household utensils

Tools

Household supplies(b)

Household cleaning agents

Toiletries and personal care

products(c)

Other household supplies

Household services(b)

Child care(c)

Hairdressing and personal care

services(c)

Other household services(d)

Health

Health services

Hospital and medical services

Optical services

Dental services

Pharmaceuticals

Transportation

Private motoring

Motor vehicles

Automotive fuel Motor vehicle repair and

servicing

Motor vehicle parts and

accessories

Other motoring charges

Urban transport fares

Communication

Postal

Telecommunication

- (a) All groups index points.
- Series renamed and/or change to composition (linked to 14th series equivalent), see Appendix 2 for further information.
- (c) Change of position in classification, see Appendix 2 for further information.
- (d) Series renamed only (linked to 14th series equivalent), see Appendix 2 for further information.information.



CONTRIBUTION TO CHANGE IN ALL GROUPS INDEXES(a)—Sep Qtr 2005 continued

Weighted average of eight Group, sub-group and expenditure capital class Sydney Melbourne Brisbane Adelaide Perth Hobart Darwin Canberra cities

Recreation

Audio, visual and computing
Audio, visual and computing
equipment
Audio, visual and computing
media and services

Books, newspapers and magazines

Books

Newspapers and magazines

Sport and other recreation

Sports and recreational

equipment

Toys, games and hobbies

Sports participation

Pets, pet foods and supplies

Pet services including veterinary

Other recreational activities

Holiday travel and accommodation

Domestic holiday travel and

accommodation

Overseas holiday travel and

accommodation

Education

Preschool and primary education Secondary education Tertiary education

Financial and insurance services(b)

Financial services(b)

Deposit and loan facilities(b)

Other financial services(b)

Insurance services

All groups

(a) All groups index points.

(b) New series.



GROUP, SUB-GROUP & EXPENDITURE CLASS, Weighted average of eight capital cities

CONTIBUTION CHANGE TO TOTAL CPI (ALL GROUPS IN POINTS INDEX NUMBERS(a) PERCENTAGE CHANGE INDEX POINTS) Jun Qrt 2005 to Sep Qtr Jun Qtr Sep Qtr Jun Qtr 2005 to Sep Qtr 2004 to Sep Qtr Group, sub-group and expenditure class 2004 2005 2005 Sep Qtr 2005 Sep Qtr 2005 2005(b) 2005 Sep Qtr 2005

Food

Dairy and related products

Milk

Cheese

Ice cream and other dairy products

Bread and cereal products

Bread

Cakes and biscuits

Breakfast cereals

Other cereal products

Meat and seafoods

Beef and veal

Lamb and mutton

Pork

Poultry

Bacon and ham

Other fresh and processed meat

Fish and other seafood

Fruit and vegetables

Fruit

Vegetables

Non-alcoholic drinks and snack food

Soft drinks, waters and juices

Snacks and confectionery

Meals out and take away foods

Restaurant meals

Take away and fast foods

Other food

Eggs

Jams, honey and sandwich spreads

Tea, coffee and food drinks

Food additives and condiments

Fats and oils

Food n.e.c.

Alcohol and tobacco

Alcoholic drinks

Beer

Wine

Spirits Tobacco

Clothing and footwear

Men's clothing

Men's outerwear

Men's underwear, nightwear and socks

Women's clothing

Women's outerwear

Women's underwear, nightwear and hosiery

Children's and infants' clothing

Footwear

Men's footwear

Women's footwear

Children's footwear

Accessories and clothing services(c)(d)

Accessories(d)(e)

Clothing services and shoe repair

- Unless otherwise specified, base of each index: 1989-90 = 100.0.
- Differs from previously published June quarter 2005 due to 15th series CPI (b) reweighting.
- (c) Series renamed and/or change to composition (linked to 14th series equivalent),
- (d) Base: June guarter 1998 = 100.0.
- (e) Series renamed only (linked to 14th series equivalent), see Appendix 2 for further information.

see Appendix 2 for further information.



GROUP, SUB-GROUP & EXPENDITURE CLASS, Weighted average of eight capital cities

continued

CONTIBUTION TO TOTAL CPI CHANGE IN POINTS (ALL GROUPS PERCENTAGE CHANGE INDEX NUMBERS(a) INDEX POINTS) CONTRIBUTION Sep Qtr Jun Qtr Sep Qtr Jun Qtr 2005 to Sep Qtr 2004 to Jun Qtr Sep Qtr Jun Qrt 2005 to 2004 2005 2005 Sep Qtr 2005r Sep Qtr 2005 2005(b) 2005 Sep Qtr 2005

Group, sub-group and expenditure class

Housing

Rents

Utilities

Electricity

Gas and other household fuels

Water and sewerage(c)

Other housing

House purchase(c)

Property rates and charges(c)

House repairs and maintenance

Household contents and services(d)

Furniture and furnishings

Furniture

Floor and window coverings

Towels and linen

Household appliances, utensils and tools

Major household appliances

Small electric household appliances

Glassware, tableware and household utensils

Tools

Household supplies(d)

Household cleaning agents

Toiletries and personal care products(e)

Other household supplies

Household services(d)

Child care(e)

Hairdressing and personal care services(e)

Other household services(f)

Health

Health services

Hospital and medical services

Optical services

Dental services

Pharmaceuticals

Transportation

Private motoring

Motor vehicles

Automotive fuel

Motor vehicle repair and servicing

Motor vehicle parts and accessories

Other motoring charges

Urban transport fares

- (a) Unless otherwise specified, base of each index: 1989–90 = 100.0.
- (b) Differs from previously published June quarter 2005 due to 15th series CPI reweighting.
- (c) Base: June quarter 1998 = 100.0.

- (d) Series renamed and/or change to composition (linked to 14th series equivalent), see Appendix 2 for further information.
- (e) Change of position in classification, see Appendix 2 for further information.
- (f) Series renamed only (linked to 14th series equivalent), see Appendix 2 for further information.



GROUP, SUB-GROUP & EXPENDITURE CLASS, Weighted average of eight capital cities

continued

	INDEX NUMBERS(a)	PERCENTAGE CHANGE	CONTIBUTION TO TOTAL CPI (ALL GROUPS INDEX POINTS)	CHANGE IN POINTS CONTRIBUTION
Group, sub-group and expenditure class	Sep Qtr Jun Qtr Sep Qtr	Jun Qtr 2005 to Sep Qtr 2004 to	Jun Qtr Sep Qtr	Jun Qrt 2005 to
	2004 2005 2005	Sep Qtr 2005r Sep Qtr 2005	2005(b) 2005	Sep Qtr 2005

Communication

Postal

Telecommunication

Recreation

Audio, visual and computing

Audio, visual and computing equipment

Audio, visual and computing media and services

Books, newspapers and magazines

Books(c)

Newspapers and magazines(c)

Sport and other recreation

Sports and recreational equipment(c)

Toys, games and hobbies(c)

Sports participation(c)

Pets, pet foods and supplies

Pet services including veterinary

Other recreational activities(c)

Holiday travel and accommodation

Domestic holiday travel and accommodation

Overseas holiday travel and accommodation

Education

Preschool and primary education(d)

Secondary education(d)

Tertiary education(d)

Financial and insurance services(e)(f)

Financial services(e)(f)

Deposit and loan facilities(e)(f)

Other financial services(e)(f)

Insurance services

All groups

- (a) Unless otherwise specified, base of each index: 1989-90 = 100.0.
- (b) Differs from previously published June quarter 2005 due to 15th series CPI reweighting.
- (c) Base: June quarter 1998 = 100.0.

- (d) Base: June quarter 2000 = 100.0.
- (e) New series.
- (f) Base: June quarter 2005 = 100.0.



SPECIAL SERIES, Weighted average of eight capital cities(a)

		CONTRIBUTION	
		TO TOTAL CPI	CHANGE
		(ALL GROUPS	IN POINTS
INDEX NUMBERS(b)	PERCENTAGE CHANGE	INDEX POINTS)	CONTRIBUTION
Sep Qtr Jun Qtr Sep Qtr 2004 2005 2005	Jun Qtr 2005 to Sep Qtr 2004 to Sep Qtr 2005 Sep Qtr 2005	Jun Qtr Sep Qtr 2005(c) 2005	Jun Qtr 2005 to Sep Qtr 2005

All groups

Selected components

Goods component Services component Tradables(d) Non-tradables(d)

All groups excluding

Food

Alcohol and tobacco

Clothing and footwear

Housing

Household contents and services(e)

Health

Transportation

Communication

Recreation

Education

Financial and insurance services(f)

Housing and Financial and insurance services(f)

Hospital and medical services

- (a) Refer to paragraph 12 of the Explanatory Notes for a description of these series.
- (b) Unless otherwise specified, base of each index: 1989-90 = 100.0.
- (c) Differs from previously published June quarter 2005 due to 15th series CPI reweighting.
- (d) Base: June quarter 1998 = 100.0.
- (e) Series renamed and/or change to composition (linked to 14th series equivalent), see Appendix 2 for further information.
- (f) New series.



ANALYTICAL SERIES, Index numbers(a)(b)

All groups excluding Housing and Financial and insurance

services(c)

All groups excluding 'volatile items' MARKET GOODS AND SERVICES EXCLUDING 'VOLATILE ITEMS'

Goods Services Total Tradables(d) Non-tradables(d)

2001-02 2002-03 2003-04

Period

All groups

2003-04 2004-05 2001

> September December

2002

March June

September

December

2003

March

June

September

December

2004

March

June

September December

2005

March

June

September

(a) Unless otherwise specified, base of each index: 1989-90 = 100.0.

(b) Refer to paragraph 12 of the Explanatory Notes for a description of these series.

- (c) New series, replaces All groups excluding Housing. See paragraphs 16-18 of the Explanatory Notes for further information.
- (d) Base: June quarter 1998 = 100.0.



ANALYTICAL SERIES, percentage changes(a)

MARKET GOODS AND SERVICES All groups excluding EXCLUDING 'VOLATILE ITEMS' Housing and Financial All groups and insurance excluding Period All groups services(b) 'volatile items' Goods Services Total Tradables Non-tradables PERCENTAGE CHANGE (from previous financial year) 2001-02 2002-03 2003-04 2004-05 PERCENTAGE CHANGE (from corresponding quarter of previous year) 2001 September December 2002 March June September December 2003 March June September December 2004 March June September December 2005 March June September PERCENTAGE CHANGE (from previous quarter) 2001 September December 2002 March June September December 2003 March June September December 2004 March June September December 2005 March June September .(a) Refer to paragraph 12 of the Explanatory Notes for a description (b) New series, replaces All groups excluding Housing. See paragraphs 16-18 of of these series. the Explanatory Notes for further information.



INTERNATIONAL COMPARISONS, All groups excluding Housing and Financial and insurance services—Index numbers(a)(b)

Korea, United New United Hong Republic States of Kong Australia Period Zealand Indonesia Japan of Singapore Taiwan Canada America Germany Kingdom

2001–02

2002-03

2003-04 2004-05

2004-0

September December

2002

March

June

September

December

2003

March June

September

December

2004

March

June

September

December

2005

March

June

September

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

(b) New series, replaces All groups excluding Housing. See paragraphs 16-18 of the Explanatory Notes for further information.



INTERNATIONAL COMPARISONS, All groups excluding housing and financial and insurance services—percentage changes(a)

Korea, United New Hong Republic States of United Australia Zealand Kong Indonesia Japan of Singapore Taiwan Canada America Germany Kingdom Period PERCENTAGE CHANGE (from previous financial year) 2001-02 2002-03 2003-04 2004-05 PERCENTAGE CHANGE (from corresponding quarter of previous year) 2001 September December 2002 March June September December 2003 March June September December 2004 March June September December 2005 March June September PERCENTAGE CHANGE (from previous quarter) 2001 September December 2002 March June September December 2003 March June September December 2004 March June September December 2005 March June September

(a) New series. Replaces All groups excluding Housing. See paragaraphs 16-18 of the Explanatory Notes for further information.

EXPLANATORY NOTES

BRIEF DESCRIPTION OF THE

1 The Consumer Price Index (CPI) measures quarterly changes in the price of a 'basket' of goods and services which account for a high proportion of expenditure by the CPI population group (i.e. metropolitan households). This 'basket' covers a wide range of goods and services, arranged in the following eleven groups:

food

alcohol and tobacco

clothing and footwear

housing

household contents and services

health

transportation

communication

recreation

education

financial and insurance services.

- **2** The capital city indexes measure price movements over time in each city individually. They do not measure differences in retail price levels between cities.
- **3** Further information about the CPI is contained in *Australian Consumer Price Index: Concepts, Sources and Methods, 2005* (cat. no. 6461.0) which is available on the ABS web site http://www.abs.gov.au.
- **4** The frequency of price collection by item varies as necessary to obtain reliable price measures. Prices of some items are volatile (i.e. their prices may vary many times each quarter) and for these items frequent price observations are necessary to obtain a reliable measure of the average price for the quarter. Each month prices are collected at regular intervals for goods such as milk, bread, fresh meat and seafood, fresh fruit and vegetables, alcohol, tobacco, women's outerwear, project homes, motor vehicles, petrol and holiday travel and accommodation. For most other items, price volatility is not a problem and prices are collected once a quarter. There are a few items where prices are changed at infrequent intervals, for example education fees where prices are set once a year. In these cases, the frequency of price collection is modified accordingly.
- **5** In order to facilitate a more even spread of field collection workload, the number of items for which prices are collected quarterly is distributed roughly equally across each month of each quarter. In all cases, however, individual items are priced in the same month of each quarter. For example, items for which prices are collected in the first month of the September quarter, July, are also priced in the first month of subsequent quarters, namely October, January and April.
- **6** There are 90 expenditure classes (that is, groupings of like items) in the fifteenth series CPI and each expenditure class has its own weight, or measure of relative importance. In calculating the index, price changes for the various expenditure classes are combined using these weights.
- 7 Changes in the weighting pattern have been made at approximately five-yearly intervals to take account of changes in household spending patterns. The CPI now comprises fifteen series of price indexes which have been linked to form a continuous series. The current weighting pattern for the CPI for the weighted average of the eight capital cities is published in *A Guide to the Consumer Price Index, 15th Series* (cat. no. 6440.0). The 15th series weighting pattern for the weighted average of eight capital cities and for each of the eight capital cities as well as each city's percentage contribution to the weighted average are also published in the *Consumer Price Index: 15th Series Weighting Pattern* (cat. no. 6430.0) (electronic publication). Both publications are available on the ABS web site http://www.abs.gov.au.

PRICES

WEIGHTING PATTERN

ANALYSIS OF CPI CHANGES

- **8** 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 changes in index points and percentage changes between any two periods:
- **9** All groups CPI: Weighted average of eight capital cities.

Index numbers:

September Quarter 2005 xxx.x (see table 1) less June Quarter 2004 xxx.x (see table 1)

Change in index points x.x

Percentage change x.x/xxx.x X 100 = x.x%

- **10** Percentage changes are calculated to illustrate three different kinds of movements in index numbers:
 - movements between consecutive financial years (where the index numbers for financial years are simple averages of the quarterly index numbers)
 - movements between corresponding quarters of consecutive years
 - movements between consecutive quarters.
- 11 Table 7 provides a detailed analysis, for the weighted average of eight capital cities, of movements in the CPI since the previous quarter, including information on movements for groups, sub-groups and expenditure classes. It also shows the contribution which each makes to the total CPI. For instance, the dairy and related products sub-group contributed x.xx index points to the total All groups index number of xxx.x for September Quarter 2005. The final column shows contributions to the change in All Groups index points by each group, sub-group and expenditure class.
- **12** Various series are presented in tables 8, 9 and 10 in this publication which are helpful for analytical purposes. These series are compiled by taking subsets of the CPI basket. (A complete list of CPI groups, sub-groups and expenditure classes is contained in tables 6 and 7.)
- **13** Some of the compiled series are self explanatory, such as 'All groups excluding Food'. Other series and their composition are described below:
 - All groups excluding Financial and insurance services: Reflecting the changing composition of the CPI, from September quarter 1989 to June quarter 1998, comprises the All groups CPI excluding house insurance, house contents insurance, vehicle insurance and mortgage interest charges and consumer credit charges; from September quarter 1998 to June quarter 2000 comprises the All groups CPI excluding house insurance, house contents insurance and vehicle insurance; from September quarter 2000 to June quarter 2005 comprises the All groups CPI excluding insurance services; from September quarter 2005 comprises the All groups CPI excluding Financial and insurance services.
 - All groups excluding Housing and Financial and insurance services: Reflecting the changing composition of the CPI, from September quarter 1989 to June quarter 1998, comprises the All groups CPI excluding Housing, house contents insurance, vehicle insurance and consumer credit charges; from September quarter 1998 to June quarter 2000 comprises the All groups CPI excluding Housing, house insurance, house contents insurance and vehicle insurance; from September quarter 2000 to June quarter 2005 comprises the All groups CPI excluding Housing and insurance services; from September quarter 2005 comprises the All groups CPI excluding Housing and Financial and insurance services.

SPECIAL SERIES

EXPLANATORY NOTES continued

SPECIAL SERIES continued

- All groups, goods component: comprises the Food group (except Restaurant meals expenditure class), Alcohol and tobacco group, Clothing and footwear group (except Clothing services and shoe repair expenditure class) and Household contents and services group (except Household services sub-group); the Utilities, Audio, visual and computing and Books, newspapers and magazines sub-groups; and the House purchase, Pharmaceuticals, Motor vehicles, Automotive fuel, Motor vehicle parts and accessories, Sports and recreational equipment, Toys, games and hobbies and Pets, pet foods and supplies expenditure classes.
- All groups, services component: comprises all items not included in the 'All groups, goods component'.
- All groups, tradables component: comprises all items whose prices are largely determined on the world market.
- All groups, non-tradables component: comprises all items not included in the 'All groups, tradables component'.
- All groups excluding 'volatile items': comprises the All groups CPI excluding Fruit and vegetables and Automotive fuel.
- **14** Market goods and services excluding 'volatile items': in addition to the items excluded from the series 'All groups excluding 'volatile items', also excludes: Utilities, Property rates and charges, Child care, Health, Other motoring charges, Urban transport fares, Postal, and Education. A detailed description of the special and analytical series is published in Appendix 1.
- **15** The ABS is grateful for the assistance of the Reserve Bank of Australia for specifying the items included in the 'All groups excluding 'volatile items" and 'Market goods and services excluding 'volatile items". The Reserve Bank of Australia does not accord any special policy status to these series.
- 16 In analysing price movements in Australia, an important consideration is Australia's performance relative to other countries. However, a simple comparison of All groups (or headline) CPIs is often inappropriate because of the different measurement approaches used by countries for certain products, particularly housing and financial services. To provide a better basis for international comparisons, the Seventeenth International Conference of Labour Statisticians adopted a resolution which called for countries to 'if possible, compile and provide for dissemination to the international community an index that excludes housing and financial services' in addition to the all-items index.
- Table 11 aims to present indexes for selected countries on a basis consistent with the above resolution and comparable to the Australian series 'All groups excluding Housing and Financial services' (see paragraph xx). However, other than Australia, the countries represented in this table are yet to develop indexes for financial services, so the indexes presented here are consistent with the series previously published for All groups excluding Housing. To facilitate comparisons all indexes in this table have been converted, where necessary, to a quarterly basis and re-referenced to a base of 1989-90=100.0.
- **18** In producing table 11, the ABS is grateful for the assistance of the relevant national statistical agencies which have either directly supplied indexes for all items excluding housing and financial services or data to enable their derivation.

RELATED PUBLICATIONS

19 Current publications and other products released by the ABS are listed in the *Catalogue of Publications and Products* (cat. no. 1101.0). The Catalogue is available from any ABS office or the ABS web site http://www.abs.gov.au. The ABS also issues a daily Release Advice on the web site which details products to be released in the week ahead.

INTERNATIONAL COMPARISONS

EXPLANATORY NOTES continued

RELATED PUBLICATIONS continued

- **20** Users may also wish to refer to the following publications and other data products that are available free of charge from the ABS web site:
 - Average Retail Prices of Selected Items, Eight Capital Cities (cat. no. 6403.0.55.001)
 - Information Paper: Experimental Price Indexes for Financial Services (cat. no. 6413.0)
 - House Price Indexes: Eight Capital Cities (cat. no. 6416.0)
 - Consumer Price Index: 15th Series Weighting Pattern (cat. no. 6430.0)
 - A Guide to the Consumer Price Index, 15th Series (cat. no. 6440.0)
 - Consumer Price Index: Concordance with Household Expenditure Classification, Australia (cat. no. 6446.0.55.001)
 - Consumer Price Index Standard Data Report: Capital Cities Index Numbers by Expenditure Class (cat. no. 6455.0.55.001)
 - Information Paper: The Introduction of Hedonic Price Indexes for Personal Computers (cat. no. 6458.0)
 - Australian Consumer Price Index: Concepts, Sources and Methods, 2005 (cat. no. 6461.0)
 - Information Paper: Introduction of the 15th Series Australian Consumer Price Index 2005 (cat. no. 6462.0).

ABS DATA AVAILABLE ON REQUEST

21 As well as the statistics included in this and related publications, the ABS may have other relevant data available on request. Inquiries should be made to Steve Whennan on (02) 6252 6251 or to the National Information and Referral Service on 1300 135 070.

INTRODUCTION

Various series are presented in tables 8, 9, and 10 of Consumer Price Index, Australia (cat. no. 6401.0) that are helpful for analytical purposes. As a result of the introduction of the 15th Series Australian CPI, there have been some changes to the groups, subgroups and expenditure classes contributing to each of the special series. Some of the compiled series are self-explanatory, such as 'All groups excluding Food'. This appendix describes the composition of each of the less straightforward special series.

GOODS AND SERVICES

The following table shows, for each CPI group, which expenditure classes have been classified as goods and which have been classified as services. In aggregate, 63 expenditure classes, accounting for 59 per cent of the CPI by weight, have been classified as goods. The remaining 27 expenditure classes, accounting for approximately 41 per cent of the CPI by weight, have been classified as services.

SERVICES Food Food Milk Restaurant meals Cheese Ice cream and other dairy products Bread Cakes and biscuits Breakfast cereals Other cereal products Beef and yeal Lamb and mutton Pork Poultry Bacon and ham Other fresh and processed meat Fish and other seafood Fruit Vegetables Soft drinks, waters and juices Snacks and confectionery Take away and fast foods Eggs Jams, honey and sandwich spreads Tea, coffee and food drinks Food additives and condiments Fats and oils Food n.e.c. **Alcohol and tobacco Alcohol and tobacco** Beer Wine Spirits Tobacco

GOODS SERVICES

Clothing and footwear

Clothing and footwear

Men's outerwear

Clothing services and shoe repair

Men's underwear, nightwear and socks

Women's outerwear

Women's underwear, nightwear and hosiery

Children's and infants' clothing

Men's footwear Women's footwear Children's footwear Accessories

Housing Housing

Electricity Rents

Gas and other household fuels Property rates and charges

Water and sewerage House repairs and maintenance

House purchase

Household contents and services Household contents and services

Furniture Child care

Floor and window coverings Hairdressing and personal care services

Towels and linen Other household services
Major household appliances

Small electric household appliances

Glassware, tableware and household utensils

Tools

Household cleaning agents

Toiletries and personal care products

Other household supplies

Health Health

Pharmaceuticals Hospital and medical services

Optical services Dental services

Transportation Transportation

Motor vehicles Motor vehicle repair and servicing

Automotive fuel Other motoring charges

Motor vehicle parts and accessories Urban transport fares

GOODS AND SERVICES

continued

GOODS SERVICES Communication Communication Telecommunication Recreation Recreation Audio, visual and computing equipment Sports participation Audio, visual and computing media and services Pet services including veterinary Books Other recreational activities Newspapers and magazines Domestic holiday travel and accommodation Overseas holiday travel and accommodation Sports and recreational equipment Toys, games and hobbies Pets, pet foods and supplies Education Education Preschool and primary education Secondary education Tertiary education Financial and insurance services Financial and insurance services Deposit and loan facilities Other financial services Insurance services

TRADABLES AND NON-TRADABLES

The following table shows, for each CPI group, which expenditure classes have been classified as tradable and which have been classified as non-tradable. In aggregate, 50 expenditure classes, accounting for approximately 42 per cent of the CPI by weight, have been classified as tradable. The remaining 40 expenditure classes, accounting for approximately 58 per cent of the CPI by weight, have been classified as non-tradable.

TRADABLES	NON-TRADABLES
Food	Food

Cheese Milk Ice cream and other dairy products Bread

Other cereal products

Beef and veal

Lamb and mutton

Cakes and biscuits

Breakfast cereals

Poultry

- Contraction

Pork Bacon and ham

Other fresh and processed meat Restaurant meals

Fish and other seafood Take away and fast foods

ruit Eggs

Soft drinks, waters and juices
Snacks and confectionery
Tea, coffee and food drinks
Food additives and condiments

Fats and oils Food n.e.c.

Vegetables

Jams, honey and sandwich spreads

TRADABLES NON-TRADABLES

Alcohol and tobacco Alcohol and tobacco

Wine Beer

Spirits Tobacco

Clothing and footwear Clothing and footwear

Men's outerwear Clothing services and shoe repair

Men's underwear, nightwear and socks
Women's outerwear

Women's underwear, nightwear and hosiery

Children's and infants' clothing

Men's footwear Women's footwear Children's footwear Accessories

Housing Housing

Rents Electricity

Gas and other household fuels

Water and sewerage
House purchase

Property rates and charges
House repairs and maintenance

Household contents and services Household contents and services

Furniture Child care

Floor and window coverings Hairdressing and personal care services

Towels and linen Other household services

Major household appliances
Small electric household appliances

Glassware, tableware and household utensils

Tools

Household cleaning agents

Toiletries and personal care products

Other household supplies

Health Health

Pharmaceuticals Hospital and medical services

Optical services

Dental services

Transportation Transportation

Motor vehicles Motor vehicle repair and servicing

Automotive fuel Other motoring charges

Motor vehicle parts and accessories Urban transport fares

TRADABLES AND
NON-TRADABLES continued

RADABLES NON-TRADABLES

Communication Communication

Postal

Telecommunication

Recreation Recreation

Audio, visual and computing equipment Sports participation

Audio, visual and computing media and services Pet services including veterinary Books Other recreational activities

Newspapers and magazines Domestic holiday travel and accommodation

Sports and recreational equipment

Toys, games and hobbies

Pets, pet foods and supplies

Overseas holiday travel and accommodation

Education Education

Preschool and primary education

Secondary education
Tertiary education

Financial and insurance services Financial and insurance services

Deposit and loan facilities
Other financial services
Insurance services

ALL GROUPS EXCLUDING 'VOLATILE ITEMS'

MARKET GOODS AND SERVICES EXCLUDING 'VOLATILE ITEMS' The All groups excluding 'volatile items' series comprises the All groups CPI excluding the Fruit, Vegetables and Automotive fuel expenditure classes.

In addition to the items excluded from the series "All groups excluding 'volatile items", the Market goods and services excluding 'volatile items' series excludes the following expenditure classes:

Electricity

Gas and other household fuels

Water and sewerage

Property rates and charges

Child care

Hospital and medical services

Optical services

Dental services

Pharmaceuticals

Other motoring charges Urban transport fares

Postal

Preschool and primary education

Secondary education

Tertiary education

APPENDIX 2 CHANGES TO THE CPI COMMODITY CLASSIFICATION

15TH SERIES CHANGES TO THE CPI COMMODITY CLASSIFICATION

STRUCTURE, 15TH SERIES CPI		15TH SERIES	STRUCTURE, 14TH SERIES CPI		14TH SERIES	
	Group, subgroup and expenditure class			Group, subgroup and expenditure class		
3	CLOTHING AND FOOTWEAR		3	CLOTHING AND FOOTWEAR		
3.5	Accessories and clothing services	Renamed	3.5	Clothing accessories, supplies and		
				services		
3.5.1	Accessories	Renamed	3.5.1	Clothing accessories and jewellery		
			3.5.2	Fabrics and knitting wool	Weight moved	
					to 9.3.2	
3.5.2	Clothing services and shoe repair		3.5.3	Clothing services and shoe repair		
5	HOUSEHOLD CONTENTS		5	HOUSEHOLD FURNISHINGS,		
	AND SERVICES	Renamed		SUPPLIES AND SERVICES		
5.3	Household supplies		5.3	Household supplies		
5.3.1	Household cleaning agents		5.3.1	Household cleaning agents		
5.3.2	Toiletries and personal care					
	products	Old 11.2.2				
5.3.3	Other household supplies		5.3.2	Other household supplies		
5.4	Household services		5.4	Household services		
5.4.1	Childcare	Old 11.3.1				
5.4.2	Hairdressing and personal					
	care services	Old 11.2.1				
5.4.3	Other household services	Renamed	5.4.1	Household services		
9	RECREATION		9	RECREATION		
9.3	Sport and other recreation		9.3	Sport and other recreation		
9.3.1	Sports and recreational equipment		9.3.1	Sports and recreational equipment		
9.3.2	Toys, games and hobbies	Weight now	9.3.2	Toys, games and hobbies		
		includes Old				
		3.5.2				
9.3.3	Sports participation		9.3.3	Sports participation		
9.3.4	Pets, pet foods and supplies		9.3.4	Pets, pet foods and supplies		
9.3.5	Pet services including veterinary		9.3.5	Pet services including veterinary		
9.3.7	Other recreational activities		9.3.7	Other recreational activities	Donas I	
			11	MISCELLANEOUS	Dropped	
			11.1 11.1.1	Insurance services Insurance services	Moved to 11.2	
			11.1.1	Personal care	Moved to 11.2.1 Dropped	
				Hairdressing and personal care	Moved to 5.4.2	
			11.2.2	services Toiletries and personal care	Moved to 5.3.2	
				products	5.00 00 01012	
			11.3	Child care	Dropped	
			11.3.1	Child care	Moved to 5.4.1	
11	FINANCIAL AND INSURANCE					
	SERVICES	New				
11.1	Financial services	New				
11.1.1	•	New				
11.1.2		New				
11.2	Insurance services	Old 11.1				
11.2.1	Insurance services	Old 11.1.1				

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