

## CHAPTER 7

### PRICES

#### RETAIL PRICES AND PRICE INDEXES

Retail prices of food and groceries and average rentals of houses have been collected by the Australian Bureau of Statistics for the years extending back to 1901 and, in some cases, by the statistical offices of various States for earlier years.

Retail prices of a more extensive range of commodities (including clothing) and certain services in common demand have been collected at frequent and regular intervals since 1923. (Comparable information was collected for the month of November in each year from 1914 to 1922.) The range of items for which retail prices data is obtained was considerably expanded in 1948 and in later years. Average retail prices of certain food and grocery items in the relevant periods were published in the annual *Labour Report* (now discontinued). Descriptions of these earlier indexes were last published in *Labour Report No. 58, 1973*.

The current retail price index, the Consumer Price Index (CPI), was published for the first time in August 1960 and was compiled retrospectively to the September quarter 1948. A description of the Consumer Price Index is given below.

Further information about the CPI is contained in a booklet entitled *A Guide to the Consumer Price Index* (6440.0) which is available from the ABS on request. For a more detailed account, *The Australian Consumer Price Index, Concepts, Sources and Methods* (6461.0) describes what the index measures, the goods and services included in it, and how the index is produced; it also describes the problems encountered in compiling the CPI and how those are dealt with.

#### The Consumer Price Index

##### Introduction

The CPI measures quarterly changes in the price of a 'basket' of goods and services which account for a high proportion of expenditures by metropolitan wage and salary earner households. This 'basket' covers a wide range of goods and services, arranged in the following eight groups: food; clothing; housing; household equipment and operation; transportation; tobacco and alcohol; health and personal care; and recreation and education. Each group is in turn divided into sub groups.

From June quarter 1982 the geographic coverage of the CPI was expanded to include Darwin.

Index numbers at the *group* and *All Groups* levels are published for each capital city, and for the weighted average of eight capital cities. *Subgroup index numbers* are also published for the weighted average of eight capital cities.

##### Index population

Because the spending patterns of various groups in the population differ somewhat, the pattern of one large group, fairly homogeneous in its spending habits, is chosen for the purpose of calculating the CPI. The CPI population group is, in concept, *metropolitan employee households*. For this purpose *employee households* are defined as those households which obtain the major part of their household income from wages and salaries; and *metropolitan* means the eight capital cities.

##### Weighting pattern

There are 105 expenditure classes (i.e. groupings of like items) within the current 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.

Changes in the weighting pattern have been made at approximately five-yearly intervals to take account of changes in household spending patterns. The CPI, in fact, comprises ten series of price indexes which have been linked to form a continuous series. The tenth series

(i.e. the current series) was introduced as from the March quarter 1982, with a weighting pattern based on estimated household expenditure in 1979-80 and on a reference base 1980-81 = 100.0. Broad details of the weighting pattern are shown in the table on page 128.

More detailed information is available in *The Australian Consumer Price Index, Concepts, Sources and Methods*.

The CPI 'basket' of goods and services covers items which are considered representative of metropolitan household spending habits and whose prices can be associated with an identifiable and specific quantity of a commodity or service. For instance, price changes for a given quantity and quality of bread or refrigerators can be measured and included in the CPI. Income taxes and personal savings, on the other hand, do not form part of the CPI because they cannot be clearly associated with the purchase of a specific quantity of a good or service.

### Price collection

Since the CPI is designed to measure the impact of changing prices on metropolitan wage and salary earner households, price movements are monitored in the kinds of retail outlets or other establishments where such households would normally purchase goods and services. This involves collecting prices from many sources including supermarkets, department stores, footwear stores, restaurants, garages, dental surgeries and hairdressers. Items such as bus, rail and air fares, electricity and gas charges, telephone charges and local authority rates are collected from the appropriate authorities. Information on rents is obtained from property management companies and government housing authorities. In total, around 85,000 separate price quotations are collected each quarter.

Prices of the goods and services included in the CPI are generally collected quarterly. However, some important items are priced monthly or more frequently (e.g. bread, fresh meat and fish, fresh fruit and vegetables, petrol, alcohol and tobacco) and a small number annually (e.g. seasonal clothing, local government rates and charges).

The bulk of items for which prices are collected quarterly are priced at the middle of the mid-month of the quarter (i.e. in August, November, February and May), but, to facilitate a more even spread of the field collection workload, some goods and services are priced in the first and third months of each quarter. Items priced in the third month are generally those subject to price changes at discrete points of time (e.g. electricity and postal charges, milk); in these cases information is obtained of any changes in price during the quarter so that a weighted average price for the whole quarter can be calculated.

The prices used in the CPI are those that any member of the public would have to pay on the pricing day to purchase the specified good or service. Any sales or excise taxes which the consumer must pay when purchasing specific items are included in the CPI price. Sale prices, discount prices and 'specials' are reflected in the CPI so long as the items concerned are of normal quality (i.e. not damaged or shop soiled) and are offered for sale in reasonable quantities. To ensure that the price movements reflect the experience of the bulk of the metropolitan population, the brands and the varieties of the items which are priced are generally those which sell in greatest volume.

### Changes in quality

The CPI aims to measure the price change of a constant basket of goods and services over time. For this reason, efforts are made to ensure that identical or equivalent items are priced in successive time periods. This involves evaluating changes in the quality of goods and services included in the index, and removing the effects of such changes so that the index reflects only the price change.

### Periodic revision of the CPI

The CPI is periodically revised in order to ensure it continues to reflect current conditions. CPI revisions have usually been carried out at approximately five-yearly intervals, the most recent having been completed in June 1982. Following each revision the new series, with its changed composition and weighting pattern, is linked to the previous series to form one continuous series. The process of linking ensures that the continuous series reflects only price variations and not differences in costs of the old and new baskets.

**Earlier CPI series**

The index has been compiled for each quarter from the September quarter 1948. The above description of the CPI refers to the tenth series which was introduced as from the March quarter 1982. A description of earlier CPI series is contained in the *Labour Report No. 58, 1973*, and in previous issues of the Year Book.

**CONSUMER PRICE INDEX: ALL GROUPS INDEX NUMBERS**

(Base of each index: Year 1980-81 = 100.0) (a)

Period	Sydney	Mel- bourne	Brisbane	Adelaide	Perth	Hobart	Canberra	Darwin	Weighted average of eight capital cities
<b>Year—</b>									
1979-80 . . .	91.1	91.4	91.5	91.6	91.9	91.6	91.1	..	..
1980-81 . . .	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1981-82 . . .	110.2	110.4	110.7	110.5	111.2	110.0	110.7	111.1	110.4
1982-83 . . .	123.4	122.8	122.9	123.5	122.5	121.8	124.0	123.1	123.1
1983-84 . . .	130.9	132.1	131.7	132.3	131.0	129.9	132.3	130.2	131.6
1984-85 . . .	136.0	138.1	137.9	138.7	136.1	136.1	138.8	135.1	137.2
<b>Quarter—</b>									
1983-84—									
March . . .	131.2	132.6	132.3	132.9	131.1	130.7	133.1	131.0	132.0
June . . .	131.2	133.0	133.3	133.1	131.1	130.9	133.3	130.9	132.3
1984-85—									
September . .	132.8	134.9	135.2	134.7	133.2	132.3	135.3	132.7	134.0
December . .	134.7	136.6	136.5	137.5	134.7	134.9	137.4	134.0	135.9
March . . .	136.8	138.3	138.7	139.4	136.7	137.1	139.6	135.2	137.8
June . . .	139.7	142.4	141.1	143.0	139.9	140.2	142.8	138.4	141.1

(a) The separate city indexes measure price movements within each city individually. They do not compare price levels between cities.

**CONSUMER PRICE INDEX: GROUP INDEX NUMBERS  
WEIGHTED AVERAGE OF EIGHT CAPITAL CITIES**

(Base of each index: Year 1980-81 = 100.0 unless otherwise noted)

Period	Food	Clothing	Household equipment and operation	Transport- ation	Tobacco and alcohol	Health and personal care	Recreation and education(a)	All groups
<b>Year—</b>								
1980-81 . . .	100.0	100.0	100.0	100.0	100.0	100.0	..	100.0
1981-82 . . .	108.6	107.1	111.1	110.6	110.3	109.2	..	110.4
1982-83 . . .	118.5	114.2	122.8	123.8	124.2	124.1	107.7	123.1
1983-84 . . .	127.7	120.9	131.5	132.6	134.8	139.6	114.5	131.6
1984-85 . . .	134.4	128.4	141.4	138.9	143.4	151.3	118.9	137.2
<b>Quarter—</b>								
1983-84—								
March . . .	129.2	120.9	132.6	133.7	135.5	142.0	115.9	132.0
June . . .	128.8	124.4	135.5	134.8	138.1	145.5	115.4	132.3
1984-85—								
September . .	131.6	124.9	137.9	136.2	139.7	147.5	116.7	134.0
December . .	133.5	128.1	140.2	137.6	140.9	150.5	116.9	135.9
March . . .	134.9	128.4	142.2	139.7	143.4	152.4	123.1	137.8
June . . .	137.4	132.0	145.4	142.1	149.7	154.6	122.5	141.1

(a) Base March quarter 1982 = 100.0. Group index not compiled for quarters prior to the base period.

**CONSUMER PRICE INDEX: WEIGHTING PATTERN OF CPI GROUPS AND SUB-GROUPS, FOR  
WEIGHTED AVERAGE OF EIGHT CAPITAL CITIES AT MARCH QUARTER 1982**

<i>Group/Sub-group</i>	<i>Percentage contribution to the all groups CPI</i>
<b>FOOD</b>	<b>21.287</b>
Dairy produce	2.023
Cereal products	2.257
Meat and seafoods	4.928
Fresh fruit and vegetables	1.691
Processed fruit and vegetables	0.896
Soft drinks, ice cream and confectionery	2.751
Meals out, take-away food	4.633
Other food	2.108
<b>CLOTHING</b>	<b>7.826</b>
Men's and boys' clothing	2.347
Women's and girls' clothing	3.268
Piecegoods and other clothing	0.462
Footwear	1.334
Clothing and footwear services	0.415
<b>HOUSING</b>	<b>13.508</b>
Rent	4.188
Home ownership	9.320
<b>HOUSEHOLD EQUIPMENT AND OPERATION</b>	<b>13.627</b>
Fuel and light	2.585
Furniture and floor coverings	2.380
Appliances	1.640
Drapery	0.897
Household utensils and tools	1.421
Household supplies and services	3.401
Postal and telephone services	1.303
<b>TRANSPORTATION</b>	<b>16.377</b>
Private motoring	14.980
Urban transport fares	1.397
<b>TOBACCO AND ALCOHOL</b>	<b>8.455</b>
Alcoholic beverages	6.070
Cigarettes and tobacco	2.385
<b>HEALTH AND PERSONAL CARE</b>	<b>7.503</b>
Health services	4.749
Personal care products	2.085
Personal care services	0.669
<b>RECREATION AND EDUCATION</b>	<b>11.417</b>
Books, newspapers, magazines	1.532
Other recreational goods	2.660
Holiday travel and accommodation	3.616
Other recreational services	2.345
Education and child care	1.264
<b>TOTAL ALL GROUPS</b>	<b>100.000</b>

### Previous retail price indexes

Five series of retail price indexes were compiled by the ABS at various times prior to the introduction of the Consumer Price Index in 1960. These indexes are described in Year Book No. 61.

An index of retail price movements from 1901 onwards has been derived by linking together the following indexes: from 1901 to 1914, the 'A' Series Retail Price Index; from 1914 to 1946-47, the 'C' Series Retail Price Index; from 1946-47 to 1948-49, a composite of Consumer Price Index Housing Group (partly estimated) and 'C' Series Index excluding

Rent; and from 1948-49 onwards, the Consumer Price Index. The continuous series derived in this way is shown in the table below. As the indexes differ greatly in scope, the resulting series is only a broad indication of long-term trends in retail prices.

**RETAIL PRICE INDEX NUMBERS**  
**WEIGHTED AVERAGE OF CAPITAL CITIES (a)**

(Base: Year 1945=100)

Year	Index number	Year	Index number	Year	Index number
1901	47	1929	91	1957	229
1902	50	1930	87	1958	233
1903	49	1931	78	1959	237
1904	46	1932	74	1960	245
1905	48	1933	71	1961	252
1906	48	1934	73	1962	251
1907	48	1935	74	1963	252
1908	51	1936	75	1964	258
1909	51	1937	78	1965	268
1910	52	1938	80	1966	276
1911	53	1939	82	1967	286
1912	59	1940	85	1968	293
1913	59	1941	89	1969	302
1914(b)	61	1942	97	1970	313
1915(b)	70	1943	101	1971	332
1916(b)	71	1944	100	1972	352
1917(b)	75	1945	100	1973	385
1918(b)	80	1946	102	1974	443
1919(b)	91	1947	106	1975	510
1920(b)	103	1948	117	1976	579
1921(b)	90	1949	128	1977	650
1922(b)	87	1950	140	1978	702
1923	89	1951	167	1979	766
1924	88	1952	196	1980	844
1925	88	1953	205	1981	926
1926	90	1954	206	1982	1,028
1927	89	1955	211	1983	1,132
1928	89	1956	224	1984	1,177

(a) Weighted average of 6 State capital cities to 1980; thereafter the weighted average of 8 capital cities (State capitals, Canberra and Darwin). (b) November

## PRODUCER PRICE INDEXES

### Introduction

In previous year books *Producer Price Indexes* have been described as *Wholesale Price Indexes*. The first index of this type published by the ABS was the Melbourne Wholesale Price Index which was introduced in 1912; index numbers are available for the period 1861 to 1961. The next index published was the Wholesale Price (Basic Materials and Foodstuffs) Index which was introduced in 1939; index numbers are available for the period 1928 to 1970. Further information concerning these indexes can be found in Year Book No. 61.

During the 1960s the ABS began producing a range of price indexes covering materials used and articles produced by defined sectors of the Australian economy. The following Producer price indexes are now published monthly:

- Price Index of Materials Used in House Building
- Price Index of Materials Used in Building Other than House Building
- Price Index of Materials Used in Manufacturing Industry and
- Price Indexes of Articles Produced by Manufacturing Industry.

Prices are collected from representative suppliers or manufacturers of the materials or articles included in the indexes. Mid-month prices are generally used to compile the two building materials indexes and the Price Indexes of Articles Produced by Manufacturing Industry. Average monthly prices are mainly used to compile the Price Index of Materials Used in Manufacturing Industry.

Published index numbers for financial years are simple averages of the relevant monthly index numbers. Annual index numbers for these indexes are shown below. Index numbers

for each month, together with more detailed information concerning methods used in compiling these indexes, are shown in the bulletins published for each index. Information on the weighting patterns for each index is available from the ABS on request.

### Price index of materials used in house building

This index measures changes in prices of selected materials used in the construction of houses. Its composition reflects the usage of materials in houses which were selected as representative for the purpose. Weights are based on the year 1968-69. The reference base of the index is the year 1966-67 = 100.0. Further information concerning the method of compiling the index, as well as more detailed index numbers, is shown in the publications *Price Index of Materials Used in House Building* (6408.0), *Labour Report* No. 58, 1973 and *Year Book* No. 60.

#### PRICE INDEX OF MATERIALS USED IN HOUSE BUILDING ALL GROUPS INDEX NUMBERS—SIX STATE CAPITAL CITIES

(Base of each index: Year 1966-67 = 100.0)

	State capital cities(a)						Weighted average of six State capital cities
	Sydney	Melbourne	Brisbane	Adelaide	Perth	Hobart	
1975-76 . . . . .	211.1	200.1	218.5	222.5	201.9	209.2	208.1
1976-77 . . . . .	234.5	223.6	243.5	250.7	229.8	235.1	232.9
1977-78 . . . . .	254.0	238.6	265.1	270.7	253.4	256.7	252.0
1978-79 . . . . .	272.7	251.4	281.3	292.1	268.2	273.6	268.1
1979-80 . . . . .	309.5	283.4	315.0	338.5	299.4	304.2	302.9
1980-81 . . . . .	347.6	324.7	363.7	386.1	337.6	338.2	344.0
1981-82 . . . . .	r 378.2	r 354.9	407.2	427.2	r 373.0	371.7	r 377.7
1982-83 . . . . .	r 407.5	r 392.0	r 447.1	r 480.2	r 407.6	r 405.3	r 413.5
1983-84 . . . . .	r 432.9	430.3	r 482.8	r 519.1	r 434.2	r 438.7	r 445.6
1984-85 p . . . . .	468.2	467.8	514.6	564.0	461.1	488.5	480.9

(a) The separate city indexes measure price movements within each city individually. They do not compare price levels between cities.

### Price index of materials used in building other than house building

The *Price Index of Materials Used in Building Other than House Building* (6407.0), on a reference base 1966-67 = 100.0, was discontinued in January 1981. Monthly index numbers on a 1966-67 = 100.0 reference base are available for the period July 1966 to January 1981. A description of the discontinued index is shown in previous year books and in the monthly publications issued up to and including January 1981.

The revised *Price Index of Materials Used in Building Other than House Building* for the six State capital cities was introduced in February 1981 on reference base 1979-80 = 100.0. The index for Darwin was published for the first time in September 1982 on a reference base 1981-82 = 100.0.

This index measures changes in prices of selected materials used in the construction of buildings other than houses. Its composition reflects the usage of materials in the construction of buildings (other than houses) commenced in the three years ending June 1977.

Further information concerning the method of compiling the index can be obtained from the February 1981 and the September 1982 issues of the publication *Price Index of Materials Used in Building Other than House Building—Six State Capital Cities and Darwin* (6407.0).

The tables below show annual 'All groups' index numbers for each State capital city and Darwin and index numbers for selected building materials for the weighted average of six State capital cities. Monthly index numbers for selected materials and special combinations of materials are shown in each issue of the monthly price index publication *Price Index of Materials Used in Building Other than House Building—Six State Capital Cities and Darwin* (6407.0).

**PRICE INDEX OF MATERIALS USED IN BUILDING OTHER THAN HOUSE BUILDING  
ALL GROUPS  
SIX STATE CAPITAL CITIES AND DARWIN (a)**

	<i>Weighted average of six State capital cities</i>	<i>Sydney</i>	<i>Melbourne</i>	<i>Brisbane</i>	<i>Adelaide</i>	<i>Perth</i>	<i>Hobart</i>	<i>Darwin</i>
INDEX NUMBERS								
Base Year	1979-80=100.0							1981-82=100.0
1975-76(b)	68.1	67.8	68.3	69.0	66.9	67.3	69.7	n.a.
1976-77(b)	76.0	75.5	76.6	77.0	74.5	76.0	77.8	n.a.
1977-78(b)	82.4	81.8	83.0	83.2	80.9	83.4	84.1	n.a.
1978-79(b)	88.5	88.3	88.5	88.9	87.3	89.4	89.6	n.a.
1979-80	100.0	100.0	100.0	100.0	100.0	100.0	100.0	n.a.
1980-81	112.9	113.1	112.7	113.2	113.8	112.2	111.6	n.a.
1981-82	125.4	126.6	123.5	126.3	127.3	123.8	122.9	100.0
1982-83	r 139.6	r 141.1	r 135.9	r 141.4	r 143.9	r 138.4	r 135.9	111.2
1983-84	r 147.3	r 148.1	r 143.4	r 151.7	r 152.6	r 145.4	r 145.7	r 118.3
1984-85 p	155.5	155.6	152.8	159.4	160.8	153.2	153.5	122.0

(a) The separate city indexes measure price movements within each city individually. They do not compare price levels between cities.

(b) The index series for years prior to 1979-80 are based on the series previously published on a reference base 1966-67=100.0. They have been converted to the reference base 1979-80=100.0 by linking the old and new series in the year 1979-80.

**PRICE INDEX OF MATERIALS USED IN BUILDING OTHER THAN HOUSE BUILDING  
INDEX NUMBERS FOR SELECTED BUILDING MATERIALS  
WEIGHTED AVERAGE OF SIX STATE CAPITAL CITIES**

(Base of each index: Year 1979-80=100.0)

	<i>Structural timber</i>	<i>Clay bricks</i>	<i>Ready mixed concrete</i>	<i>Galvanised steel decking cladding and sheet products</i>	<i>Structural steel</i>	<i>Reinforcing steel bar fabric and mesh</i>
1979-80	100.0	100.0	100.0	100.0	100.0	100.0
1980-81	113.5	114.2	113.2	113.4	114.5	114.6
1981-82	123.3	127.4	123.7	127.3	128.1	126.4
1982-83	133.8	142.6	143.3	138.7	138.8	138.9
1983-84	144.9	151.6	149.6	145.3	141.4	148.6
1984-85 p	160.6	162.9	158.6	150.8	147.6	148.2

  

	<i>Aluminium windows</i>	<i>Conductors (mains cable and circuitry)</i>	<i>Lamps and light fittings</i>	<i>Non-ferrous pipes</i>	<i>Builders' hardware</i>	<i>Paint</i>
1979-80	100.0	100.0	100.0	100.0	100.0	100.0
1980-81	112.5	105.2	109.6	95.4	113.6	118.9
1981-82	126.3	115.6	122.8	95.2	127.6	129.6
1982-83	136.2	135.2	137.8	106.0	143.9	149.5
1983-84	144.2	150.3	145.1	113.7	154.8	162.2
1984-85 p	152.7	171.9	151.0	122.1	163.8	177.0

**Price index of materials used in manufacturing industry**

This index measures changes in prices of materials (including fuels) used by establishments classified to the Manufacturing Division of the Australian Standard Industrial Classification (ASIC), as described in the ABS publication *Australian Standard Industrial Classification (Preliminary Edition)* 1969 (1201.0). The index is on a *net basis*, i.e. it relates in concept only to those materials which are used by establishments within the Manufacturing Division in Australia and which have been produced by establishments outside that Division. Materials purchased by establishments classified to the Australian Manufacturing Division from other establishments in that Division are outside the scope of the index.

The reference base of the index is the year 1968-69=100.0. Its composition reflects estimated usage of materials by manufacturers in the year 1971-72. The items included in the index are combined for publication purposes into broad groups using two different classifications:

- (i) Australian Standard Industrial Classification (ASIC), and
- (ii) Standard International Trade Classification (SITC (R)).

Index numbers based on the ASIC are presented below. Further information concerning the method of compiling the index, as well as more detailed index numbers, is shown in the publications *Price Index of Materials Used in Manufacturing Industry, Australia* (6411.0) and Year Book No. 61.

This index is presently being revised. A new and expanded set of indexes with a reference base: Year 1984-85=100.0 is to be introduced in 1986.

**PRICE INDEX OF MATERIALS USED IN MANUFACTURING INDUSTRY (a): GROUP INDEX  
NUMBERS BASED ON AUSTRALIAN STANDARD INDUSTRIAL CLASSIFICATION**

(Base of each index: Year 1968-69=100.0)

	Imported materials				Home produced materials				Total home produced materials	All groups
	Agri-culture	Mining	Manu-facturing	Total imported materials	Agri-culture	Forestry and fishing	Mining	Elec-tricity		
Value weight	1.92%	4.17%	21.07%	27.16%	47.04%	1.12%	18.92%	5.76%	72.84%	100.00%
1975-76	166.5	423.6	162.6	202.9	132.3	213.7	163.3	137.9	142.0	158.6
1976-77	258.6	479.5	182.1	233.2	152.5	245.2	189.2	148.8	163.2	182.2
1977-78	303.4	515.3	201.6	257.0	162.4	273.5	211.4	160.9	176.7	198.5
1978-79	285.3	542.6	222.1	275.7	228.8	263.5	281.8	173.8	238.7	248.8
1979-80	329.2	911.8	261.8	366.4	280.3	300.3	403.5	186.7	305.2	321.8
1980-81	293.6	1,146.3	278.7	413.0	295.9	344.4	454.1	210.2	330.9	353.2
1981-82	264.5	1,247.8	290.6	435.7	282.0	363.0	472.1	253.3	330.3	358.9
1982-83	303.6	1,318.7	310.6	464.9	288.8	378.8	541.1	333.9	359.3	388.0
1983-84	344.0	1,288.2	323.6	473.1	r312.3	410.1	r538.2	351.3	r375.6	r402.1
1984-85p	370.6	1,377.5	354.8	512.9	317.9	447.4	564.9	361.8	387.5	421.6

(a) The index is on a net basis and relates in concept only to materials that enter Australian manufacturing industry from other sectors of the Australian economy or from overseas.

### Price indexes of articles produced by manufacturing industry

These indexes measure changes in the prices of articles produced by establishments classified to the Manufacturing Division of the Australian Standard Industrial Classification (ASIC). Indexes are on a *net basis*, i.e. they relate in concept only to those articles which are produced in defined sectors of Australian manufacturing industry for sale or transfer to other sectors or for export or for use as capital equipment. Articles which are sold or transferred to other establishments within the sector for further processing as materials, components, fuels, etc. are excluded.

The following sector price indexes are published:

- (i) a net index for the Manufacturing Division of ASIC (known as the *All Manufacturing Industry Index*), and
- (ii) net indexes for the twelve sub-divisions within the Manufacturing Division.

The reference base of the indexes is the year 1968-69=100.0. Their composition reflects estimated net sector production in the year 1971-72.

The items included in the indexes are combined for publication purposes using the structure of the Australian Standard Industrial Classification (ASIC).

Further information concerning the method of compiling monthly index numbers for each index is shown in the publication *Price Indexes of Articles Produced by Manufacturing Industry, Australia* (6412.0). Further information about the indexes is also shown in Year Book No. 62.



## PRICE INDEXES OF ARTICLES PRODUCED BY MANUFACTURING INDUSTRY (a)

(Base of each index: Year 1968-69=100.0)

Net subdivision indexes (c)							
Year	All Manu- facturing Industry Index (b)	Food, beverages and tobacco (21-22)	Textiles (23)	Clothing and footwear (24)	Wood, wood products and furniture (25)	Paper, paper products and printing (26)	Chemical, petroleum and coal products (27)
1975-76 . . . . .	177.8	163.5	159.7	185.2	219.9	196.3	168.2
1976-77 . . . . .	196.9	180.0	178.6	208.1	246.8	212.8	182.4
1977-78 . . . . .	213.8	195.6	193.3	225.2	264.0	231.7	200.7
1978-79 . . . . .	237.4	226.4	205.1	238.4	280.4	245.0	233.1
1979-80 . . . . .	274.9	266.5	228.8	255.3	315.5	269.6	307.4
1980-81 . . . . .	305.3	290.9	252.7	276.5	357.3	304.2	366.8
1981-82 . . . . .	328.9	301.9	270.6	298.1	388.4	346.0	400.9
1982-83 . . . . .	360.2	328.2	286.7	316.0	424.9	390.4	442.4
1983-84 . . . . .	382.8	355.5	305.8	333.2	455.4	413.6	456.8
1984-85p . . . . .	404.8	377.0	322.6	352.1	494.3	442.2	480.8

  

Year	Glass, clay and other non- metallic mineral products (28)	Basic metal products (29)	Fabricated metal products (31)	Transport equipment (32)	Other industrial machinery and equipment and household appliances (33)	Miscellan- eous manu- facturing products (34)
1975-76 . . . . .	183.2	174.0	217.1	175.8	179.2	159.0
1976-77 . . . . .	202.5	200.6	244.9	195.0	199.4	176.0
1977-78 . . . . .	219.8	214.0	268.7	211.6	215.3	192.4
1978-79 . . . . .	236.8	237.2	287.7	230.2	232.2	209.8
1979-80 . . . . .	265.2	282.7	323.9	252.2	261.3	252.5
1980-81 . . . . .	300.2	297.8	371.6	275.7	289.7	273.9
1981-82 . . . . .	337.2	315.3	414.2	303.2	320.7	289.5
1982-83 . . . . .	382.1	345.5	452.5	r335.4	353.1	r313.4
1983-84 . . . . .	404.0	365.5	480.1	358.9	372.6	r342.1
1984-85p . . . . .	429.2	381.0	505.3	378.7	390.2	361.4

(a) For a full description of Division C, 'Manufacturing' and the subdivisions within the Manufacturing Division, see *Australian Standard Industrial Classification (ASIC), Preliminary Edition, 1969*. (b) This index is on a net division basis and relates in concept only to articles which are produced in the Manufacturing Division of ASIC for sale or transfer outside the Division. (c) These indexes are on a net subdivision basis; the index for each subdivision relates in concept to articles which are produced in that subdivision for sale or transfer outside the subdivision.

## FOREIGN TRADE PRICE INDEXES

## Introduction

The ABS compiles price indexes for merchandise imported into and exported from Australia. Both indexes are calculated using fixed weights. Prices are collected from representative importers or exporters of the goods included in the indexes. Average monthly prices are used to compile the Export Price Index and average quarterly prices are used to compile the Import Price Index.

The Export Price Index is compiled and published monthly while the Import Price Index is compiled and published quarterly. Published index numbers for financial years are simple averages of the relevant monthly or quarterly index numbers. Annual index numbers for these indexes are shown below. Index numbers for each month (for the Export Price Index) or quarter (for the Import Price Index), together with more detailed information concerning methods used in compiling these indexes, are shown in the bulletins published for each index. Information on the weighting patterns for each index is available from the ABS on request.

## Import price index

The first issue of the Import Price Index produced by the ABS was released in May 1983 and covers the period September quarter 1981 to December quarter 1982, on a reference base 1981-82 = 100.0. This index, published quarterly, replaced the import price index previously published by the Reserve Bank of Australia on a reference base 1966-67 = 100.

The Import Price Index measures changes in prices of *imports of merchandise* into Australia. The index numbers for each quarter relate to prices of imports landed in Australia during the quarter.

The commodities directly represented in the index were selected on the basis of their import values and were allocated weights in accordance with the average value of imports for each commodity over the three years ended June 1981.

The selected commodities are combined for publication purposes into broad index groups using three different classifications:

- (i) Australian Import Commodity Classification (AICC) 1980-81 (1204.0)
- (ii) Australian Standard Industrial Classification (ASIC) 1978 (1201.0)
- (iii) United Nations Classification by Broad Economic Categories (BEC) 1976

In addition, BEC categories have been rearranged to form the broader end use classes: Capital goods, Intermediate goods and Consumption goods. Index numbers based on the AICC and BEC are presented below.

Further information concerning the method of compiling the index can be obtained from the December Quarter 1982 issue of the publication *Import Price Index* (6414.0) and Year Book No. 68. More detailed index numbers are shown in the quarterly publication *Import Price Index, Australia* (6414.0).

#### IMPORT PRICE INDEX

##### INDEX NUMBERS BASED ON THE AUSTRALIAN IMPORT COMMODITY CLASSIFICATION (AICC)

(Base of each index: Year 1981-82=100.0)

Year	AICC Sections									
	All groups	Food and live animals chiefly for food (0)	Beverages and tobacco (1)	Crude materials inedible except fuels (2)	Mineral fuels lubricants and related materials (3)	Animal and vegetable oils and fats and waxes (4)	Chemicals and related products n.e.s. (5)	Manufactured goods classified chiefly by material (6)	Machinery and transport equipment (7)	Miscellaneous manufactured articles and non-monetary gold (8 & 9 part)
1981-82 . . . . .	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1982-83 . . . . .	110.4	111.6	120.9	104.9	109.2	98.0	106.7	109.4	112.1	112.1
1983-84 . . . . .	r114.4	123.0	128.9	r107.9	104.2	135.9	106.7	114.4	r118.6	r118.9
1984-85p . . . . .	126.5	139.0	139.8	121.2	117.4	146.5	115.5	127.3	130.3	130.9

#### IMPORT PRICE INDEX

##### INDEX NUMBERS FOR BROAD ECONOMIC CATEGORIES (BEC) AND END USE CLASSES

(Base of each index: Year 1981-82=100.0)

Year	Broad economic categories					End use classes 1				
	Food and beverages	Industrial supplies not elsewhere specified	Fuels and lubricants	Capital goods (except transport equipment) and parts and accessories thereof	Transport equipment and parts and accessories thereof	Consumer goods not elsewhere specified	Capital goods	Intermediate goods	Consumption goods	
1981-82 . . . . .	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1982-83 . . . . .	110.1	107.9	109.2	112.1	112.9	111.0	111.1	109.3	112.0	112.0
1983-84 . . . . .	122.9	110.8	104.2	r116.9	123.8	r116.8	r116.6	r111.5	r118.9	r118.9
1984-85p . . . . .	137.4	123.3	117.4	127.6	137.4	127.3	127.6	124.3	130.1	130.1

1. Broad Economic Categories rearranged into end use classes.

### Export price index

An annual index of export prices has been published by the ABS since its inception. Brief descriptions of indexes covering the period between 1901 and 1979 are shown in Year Book No. 55, pages 256-7 and Year Book No. 58, pages 240-2.

The revised Export Price Index was introduced in July 1979. It relates to *all exports of merchandise* from Australia. The index numbers for each month relate to prices of those exports of merchandise that are physically shipped from Australia during that month.

The reference base of the index is the year 1974-75 = 100. The commodities directly represented in the index were selected on the basis of their export values and were allocated weights in accordance with the average value of exports for each commodity over the three years ended June 1977.

The selected commodities are combined for publication purposes into broad index groups using two different classifications:

- (i) Australian Export Commodity Classification (AECC) 1978-79 (1203.0);
- (ii) Australian Standard Industrial Classification (ASIC) 1978 (1201.0).

Further information concerning the method of compiling the index can be obtained from the July 1979 issue of the publication *Export Price Index* (6405.0) and Year Book No. 64. More detailed index numbers are shown in the monthly publication. *Export Price Index, Australia* (6405.0).

#### EXPORT PRICE INDEX:

##### INDEX NUMBERS BASED ON AUSTRALIAN EXPORT COMMODITY CLASSIFICATION (AECC)

(Base on each index: Year 1974-75 = 100)

AECC Sections						
Year	All groups	Food and live animals (0)	Crude materials inedible (except fuels) (2)	Mineral fuels and lubricants (3)	Animal and vegetable oils and fats (4)	Chemicals and other manufactured exports (5, 6, 7 and 8)
1975-76 . . .	109	97	115	144	98	101
1976-77 . . .	122	98	141	156	117	118
1977-78 . . .	128	100	149	167	136	125
1978-79 . . .	144	119	162	170	157	146
1979-80 . . .	174	145	191	198	169	188
1980-81 . . .	185	162	202	217	145	181
1981-82 . . .	187	147	219	247	139	178
1982-83 . . .	203	152	242	287	138	191
1983-84 . . .	208	163	242	269	168	r203
1984-85p . . .	223	171	264	288	211	216

#### EXPORT PRICE INDEX:

##### INDEX NUMBERS BASED ON AUSTRALIAN STANDARD INDUSTRIAL CLASSIFICATION (ASIC)

(Base on each index: Year 1974-75 = 100)

ASIC Divisions			
Year	Agriculture, forestry, fishing and hunting (A)	Mining (B)	Manufacturing (C)
1975-76 . . .	98	130	105
1976-77 . . .	106	148	119
1977-78 . . .	105	159	127
1978-79 . . .	114	163	150
1979-80 . . .	137	180	190
1980-81 . . .	150	191	199
1981-82 . . .	153	221	191
1982-83 . . .	158	262	202
1983-84 . . .	169	244	212
1984-85p . . .	182	265	226

## PRICES SURVEILLANCE AUTHORITY

### General

On 19 March 1984, concurrent with the proclamation of the *Prices Surveillance Act 1983*, the Petroleum Products Pricing Authority was abolished and its activities subsumed by the Prices Surveillance Authority.

The functions of the Authority are to consider price notices submitted to it in accordance with Section 22 of the Act and to hold inquiries into matters relating to prices for the supply of goods and services. The Authority is required to report to the Minister the results of each such inquiry.

**Legislative Provisions**

The Act provides for the declaration of persons in relation to the supply of specified goods and services. Notifications to the Authority are required where declared persons propose to charge higher than currently existing prices for those specified goods and services. Action by the Authority in relation to price notifications includes the issuing of a notice stating that it has no objection to the proposed prices, a notice that it has no objection to a price lower than the proposed price, and recommending to the Minister that a public inquiry be held.

The Authority is required to hold such inquiries as directed by the Minister and, with the approval of the Minister, such other inquiries as it thinks fit.

Although the Act provides that prices shall not be increased during an inquiry provision exists for the granting of interim price increases pending the outcome of an inquiry.

**BIBLIOGRAPHY****ABS Publications**

- Monthly summary of statistics (1304.0)
- Digest of current economic statistics (monthly) (1305.0)
- Consumer price index (quarterly) (6401.0)
- Average retail prices of selected items (quarterly) (6403.0)
- Export price index (monthly) (6405.0)
- Price index of materials used in building other than house building (monthly) (6407.0)
- Price index of materials used in house building (monthly) (6408.0)
- Price index of metallic materials (monthly) (6410.0)
- Price index of materials used in manufacturing industry (monthly) (6411.0)
- Price indexes of articles produced by manufacturing industry (monthly) (6412.0)
- Import price index (quarterly) (6414.0)
- A guide to the Consumer Price Index (irregular) (6440.0)
- The Australian Consumer Price Index. Concepts Sources and Methods (irregular) (6461.0)

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**IN RETROSPECT.....Year Book No 23 (1930)**

The Royal Commission on the Basic Wage in 1920 recommended in its report that a method should be adopted of *ascertaining from time to time the rise and fall in the purchasing-power of money in its relation to the total household expenditure*. The Government adopted the recommendation, and the duty of carrying out the necessary investigations was entrusted to the Bureau of Census and Statistics.

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