

**PRICE INDEXES OF MATERIALS
USED IN COAL MINING**

AUSTRALIA

EMBARGO: 11:30AM (CANBERRA TIME) FRI 21 JULY 2000

JUNE QTR KEY FIGURES

<i>Price indexes of materials used in coal mining</i>	<i>% change Mar Qtr 2000 to Jun Qtr 2000</i>	<i>% change Jun Qtr 1999 to Jun Qtr 2000</i>
Open cut mining	2.7	12.5
Underground mining	1.4	1.1

NOTES**INTRODUCTION**

This publication contains price indexes relating to materials used in the mining of coal in Australia. Separate indexes show movements in prices of materials used in open cut and underground coal mining operations.

INDEX NUMBERS

Index numbers for financial years are simple averages of the quarterly index numbers. In cases where more complete information is obtained after index numbers for a period have been published, or it is discovered that incorrect prices have been used in compiling the indexes, revisions to index numbers may occur in subsequent issues of this publication. Each index is presented on a reference base of 1987–88=100.0.

IMPACT OF THE NEW TAX SYSTEM

The Goods and Services Tax (GST) will be excluded from all prices used in compiling the *Price Indexes of Materials Used in Coal Mining* from September quarter 2000. The introduction of the new tax system is expected to have a first round impact on the indexes with changes to the diesel rebate scheme expected to have a downward influence on diesel prices. In addition, some downward influence is expected from second round effects.

For more details see information paper *Price Indexes and The New Tax System* (Cat. no. 6425.0), released on 3 May 2000.

SYMBOLS AND OTHER USAGES

.. not applicable
r revised

FORTHCOMING ISSUE

The September Quarter 2000 issue of this publication is expected to be released on 19 October 2000.

CHANGES IN THIS ISSUE

There are no changes in this issue.

- For further information about these and related statistics, contact Peter Sturgeon on Canberra 02 6252 5348, or the National Information Service on 1300 135 070.

Dennis Trewin
Australian Statistician

PRICE INDEXES OF MATERIALS USED IN COAL MINING

Period	OPEN CUT.....			UNDERGROUND.....		
	Index numbers(a)	% change from corresponding period of previous year	% change from previous period	Index numbers(a)	% change from corresponding period of previous year	% change from previous period
1996-1997	121.9	..	1.8	129.6	..	2.5
1997-1998	120.4	..	-1.2	129.8	..	0.2
1998-1999	118.9	..	-1.2	131.8	..	1.5
1999-2000	128.4	..	8.0	131.2	..	-0.5
1996						
June	120.4	2.3	-0.2	127.2	2.6	0.5
September	119.8	0.8	-0.5	129.9	3.3	2.1
December	123.2	3.3	2.8	129.4	2.7	-0.4
1997						
March	123.5	2.3	0.2	129.5	2.3	0.1
June	120.9	0.4	-2.1	129.7	2.0	0.2
September	120.3	0.4	-0.5	129.6	-0.2	-0.1
December	121.7	-1.2	1.2	129.6	0.2	0.0
1998						
March	122.4	-0.9	0.6	130.1	0.5	0.4
June	117.3	-3.0	-4.2	129.9	0.2	-0.2
September	119.0	-1.1	1.4	132.0	1.9	1.6
December	118.8	-2.4	-0.2	131.7	1.6	-0.2
1999						
March	118.0	-3.6	-0.7	131.7	1.2	0.0
June	119.8	2.1	1.5	131.6	1.3	-0.1
September	120.6	1.3	0.7	130.2	-1.4	-1.1
December	126.9	6.8	5.2	130.4	-1.0	0.2
2000						
March	131.2	11.2	3.4	131.2	-0.4	0.6
June	134.8	12.5	2.7	133.0	1.1	1.4

(a) Base of each index: 1987-88 = 100.0

EXPLANATORY NOTES

ITEMS AND WEIGHTS

1 These indexes are fixed weights indexes. The items included in the indexes were selected on the basis of the estimated average values of materials used in the operation of open cut and underground coal mines in Australia during the three years ended June 1987.

PRICES

2 The point of pricing is delivered on mine site or to the primary storage area for a group of mines. Prices are obtained from representative suppliers of the materials used in coal mining. For the mining industry, both intermediate and capital inputs directly used in the mining processes are exempt of wholesale sales tax. Also, under the current diesel rebate scheme, the excise paid on diesel fuel used in off-road mining is partially rebated.

3 As far as possible, actual transactions prices are used—that is, the prices actually paid by coal mines to suppliers for materials delivered on mine sites. The actual price paid for anything can, of course, be described in various ways. Instead of being described as a single price (as usually happens in retail shops), a price for a mining material may be described in terms of the components that make up the price—for instance, ‘list price plus sales tax’, ‘supplier’s price plus freight’, ‘basic price less (particular types of) discount’, and so on. It is these net prices that buyers pay to sellers in exchange for materials that the ABS aims to use in compiling these indexes.

ANALYSIS OF INDEX CHANGES

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

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

Open cut mining index numbers –

June Qtr 2000	134.8	(see Table 1)
less June Qtr 1999	119.8	(see Table 1)
Change in index points	15.0	
Percentage change	$\frac{15.0}{119.8} \times 100 = 12.5$	

RELATED PUBLICATIONS

6 Users may also wish to refer to the following price index publications:

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

FURTHER INFORMATION

7 For details regarding the effect of the new tax system, see information paper *Price Indexes and the New Tax System 2000* (Cat. no. 6425.0).

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

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