

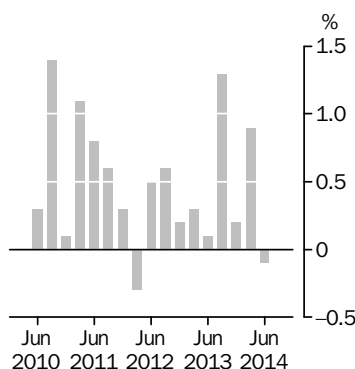
PRODUCER PRICE INDEXES AUSTRALIA

EMBARGO: 11.30AM (CANBERRA TIME) FRI 1 AUG 2014

**Stage of Production
Final Demand**



**Stage of Production
Final Demand**
Quarterly % change



INQUIRIES

For further information about these and related statistics, contact the National Information and Referral Service on 1300 135 070.

KEY FIGURES

STAGE OF PRODUCTION	Mar Qtr 14 to Jun Qtr 14 % change	Jun Qtr 13 to Jun Qtr 14 % change
Final demand (excl. exports)	-0.1	2.3
Domestic	0.1	1.9
Imports	-1.5	6.4
Intermediate demand	-0.5	2.7
Domestic	-0.1	2.3
Imports	-2.7	6.8
Preliminary demand	-0.8	3.0
Domestic	-0.4	2.5
Imports	-2.9	6.6

KEY POINTS

FINAL DEMAND (EXCL. EXPORTS)

- fell 0.1% in the June quarter 2014.
- mainly due to falls in the prices received for other transport equipment manufacturing (-3.5%), computer and electronic equipment manufacturing (-3.4%) and other agriculture (-5.7%).
- partly offset by rises in the prices received for building construction (+1.2%) and pharmaceutical and medicinal product manufacturing (+5.2%).
- rose 2.3% through the year to the June quarter 2014.

INTERMEDIATE DEMAND

- fell 0.5% in the June quarter 2014.
- mainly due to falls in the prices received for petroleum refining and petroleum fuel manufacturing (-9.5%), oil and gas extraction (-4.1%) and coal mining (-10.1%).
- partly offset by rises in the prices received for sheep, beef cattle and grain farming; and dairy cattle farming (+6.5%) and printing and printing support services (+3.8%).
- rose 2.7% through the year to the June quarter 2014.

PRELIMINARY DEMAND

- fell 0.8% in the June quarter 2014.
- mainly due to falls in the prices received for petroleum refining and petroleum fuel manufacturing (-10.7%), metal ore mining (-6.8%) and oil and gas extraction (-4.1%).
- partly offset by rises in the prices received for sheep, beef cattle and grain farming; and dairy cattle farming (+4.5%) and printing and printing support services (+3.6%).
- rose 3.0% through the year to the June quarter 2014.

NOTES

FORTHCOMING ISSUES

<i>ISSUE (Quarter)</i>	<i>RELEASE DATE</i>
June 2014 Update	26 August 2014
September 2014	31 October 2014
September 2014 Update	25 November 2014
December 2014	30 January 2015
December 2014 Update	24 February 2015
March 2015	1 May 2015



ADDITIONAL INFORMATION

Large scale innovation is planned as part of the ABS forward work plan. This innovation includes major upgrades to existing systems, processes and methodologies.

The ABS has deferred selected commitments from the *Information paper: Outcome of the Review of the Producer and International Trade Price Indexes, 2012* (cat. no. 6427.0.55.004) pending upgrades to existing systems. Appendix 1 provides a full list of PPI commitments from the paper.

In the *Information Paper: Outcome of the Review of the Producer and International Trade Price Indexes, 2012* (cat. no. 6427.0.55.004) the ABS undertook to release an updated *Producer and International Trade Price Indexes: Concepts, Sources and Methods* (cat. no. 6429.0) publication. This will be released on 20 August 2014.

The ABS has published the quarterly Producer Price Index for the Output of the Retail Trade Industry (RTPI) from 25 February 2014. The RTPI will be released as an additional update of the *Producer Price Index, Australia* publication (cat. no. 6427.0). The RTPI will be released in electronic format as a data cube on the ABS website on the 26 August, 2014.

ROUNDING

Any discrepancies between totals and sums of components are due to rounding.

DATA REFERENCES

Data referenced in the Key Points and Commentary are available from the tables shown in this publication, or in the corresponding tables of this publication on the ABS website <<http://www.abs.gov.au>>.



ABBREVIATIONS

ABS	Australian Bureau of Statistics
ANZSIC	Australian and New Zealand Standard Industrial Classification
c.i.f.	cost, insurance and freight
f.o.b.	free on board
mfg	manufacturing
n.e.c.	not elsewhere classified
SOP	Stage of Production

Jonathon Palmer
Acting Australian Statistician

STAGE OF PRODUCTION COMMENTARY

STAGE OF PRODUCTION (SOP) OVERVIEW

In the June quarter 2014, the Final demand index fell 0.1%, the Intermediate demand index fell 0.5% and the Preliminary demand index fell 0.8%. Through the year to the June quarter 2014, the Final demand index rose 2.3%, the Intermediate demand index rose 2.7% and the Preliminary demand index rose 3.0%.

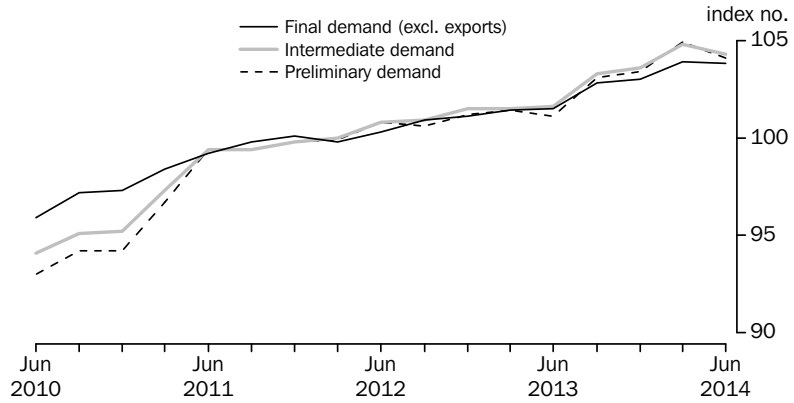
The fall of 0.1% in the Final demand index in the June quarter 2014 reflected a rise of 0.1% in the prices received for domestically produced products and a fall of 1.5% in the prices paid for imported products. The domestic component recorded rises in the prices received for building construction (+1.2%). Partly offsetting these rises were falls in the prices received for other agriculture (-6.1%) and accommodation (-6.3%). The imports component recorded falls in the prices paid for computer and electronic equipment manufacturing (-3.9%), other transport equipment manufacturing (-3.7%) and professional and scientific equipment manufacturing (-4.5%). Partly offsetting these falls were rises in the prices paid for pharmaceutical and medicinal product manufacturing (+9.9%).

The fall of 0.5% in the Intermediate demand index in the June quarter 2014 reflected a fall of 0.1% in the prices received for domestically produced products and a fall of 2.7% in the prices paid for imported products. The domestic component recorded falls in the prices received for petroleum refining and petroleum fuel manufacturing (-12.8%), coal mining (-10.1%) and other agriculture (-3.9%). Partly offsetting these falls were rises in the prices received for sheep, beef cattle and grain farming; and dairy cattle farming (+6.5%) and printing and printing support services (+3.8%). The imports component recorded falls in the prices paid for oil and gas extraction (-5.9%), textile, leather, clothing and footwear manufacturing (-3.4%) and polymer product manufacturing (-3.8%). Partly offsetting these falls were rises in the prices paid for pharmaceutical and medicinal product manufacturing (+10.1%), structural metal product manufacturing (+6.6%) and dairy product manufacturing (+5.8%).

The fall of 0.8% in the Preliminary demand index in the June quarter 2014 reflected a fall of 0.4% in the prices received for domestically produced products and a fall of 2.9% in the prices paid for imported products. The domestic component recorded falls in the prices received for petroleum refining and petroleum fuel manufacturing (-14.4%), metal ore mining (-7.6%) and coal mining (-10.1%). Partly offsetting these falls were rises in the prices received for sheep, beef cattle and grain farming; and dairy cattle farming (+4.5%), printing and printing support services (+3.6%) and other administrative services (+1.6%). The imports component recorded falls in the prices paid for oil and gas extraction (-6.0%), metal ore mining (-4.5%) and textile, leather, clothing and footwear manufacturing (-3.7%). Partly offsetting these falls were rises in the prices paid for dairy product manufacturing (+5.8%) and cleaning compound and toiletry preparation manufacturing (+4.4%).

STAGE OF PRODUCTION
(SOP) OVERVIEW *continued*

COMPARISON OF SOP INDEXES



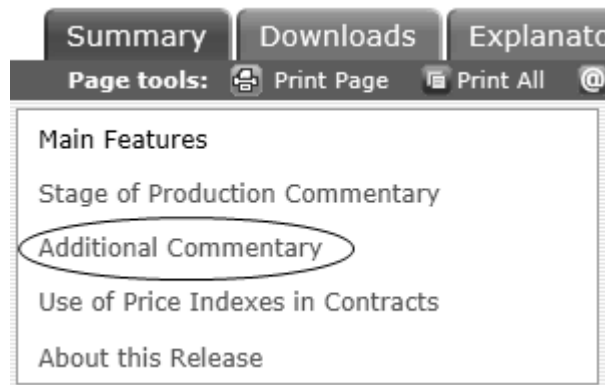
Index reference period: 2011-12 = 100.0.

WHERE TO FIND
ADDITIONAL
COMMENTARY

Additional commentary for Producer Price Indexes is available in the entry for *Producer Price Indexes, Australia* (cat. no. 6427.0) on the ABS website <<http://www.abs.gov.au>>.

The additional commentary includes:

- Mining industries producer price indexes
 - Input to the Coal mining industry
- Manufacturing industries producer price indexes
 - Input to the Manufacturing industries
 - Output of the Manufacturing industries
- Construction industries producer price indexes
 - Input to the House construction industry
 - Output of the Construction industries
- Services industries producer price indexes
 - Output of the Services industries



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STAGE OF PRODUCTION (a)(b): Index numbers by stage and source

Period	PRELIMINARY DEMAND			INTERMEDIATE DEMAND			FINAL DEMAND (c)		
	Domestic	Imports	Total	Domestic	Imports	Total	Domestic	Imports	Total
2010-11	96.6	93.0	96.1	96.9	95.5	96.8	97.7	100.9	98.0
2011-12	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
2012-13	101.3	99.4	101.1	101.7	99.1	101.4	101.4	99.0	101.2
2013-14	103.5	106.5	103.9	103.6	107.0	104.0	103.1	105.4	103.4
2009									
June	92.5	88.4	92.0	93.0	97.0	93.5	92.5	114.1	95.0
September	91.6	90.4	91.5	92.5	96.0	92.9	93.3	108.3	95.1
December	91.3	87.6	90.8	92.0	92.3	92.1	93.6	102.7	94.7
2010									
March	92.3	87.6	91.7	93.3	92.6	93.2	94.5	104.0	95.6
June	93.3	91.1	93.0	94.0	94.9	94.1	94.9	103.9	95.9
September	94.6	91.7	94.2	95.0	96.1	95.1	96.2	104.8	97.2
December	95.0	88.9	94.2	95.5	92.7	95.2	96.9	100.3	97.3
2011									
March	97.3	92.3	96.7	97.6	94.6	97.3	98.2	99.9	98.4
June	99.4	99.0	99.4	99.5	98.6	99.4	99.3	98.6	99.2
September	99.6	98.0	99.4	99.6	98.2	99.4	100.0	98.6	99.8
December	99.8	100.3	99.8	99.7	100.5	99.8	100.0	100.8	100.1
2012									
March	100.1	99.0	99.9	100.1	99.1	100.0	99.9	99.3	99.8
June	100.6	102.7	100.8	100.6	102.2	100.8	100.2	101.3	100.3
September	100.8	98.6	100.6	101.2	98.5	100.9	101.1	99.0	100.9
December	101.4	99.6	101.2	101.8	99.0	101.5	101.2	99.1	101.1
2013									
March	101.5	100.0	101.4	101.8	99.3	101.5	101.6	98.7	101.4
June	101.3	99.3	101.1	101.8	99.5	101.6	101.7	99.1	101.5
September	102.8	105.2	103.1	102.9	106.3	103.3	102.5	104.9	102.8
December	103.1	105.6	103.4	103.3	106.2	103.6	102.8	104.2	103.0
2014									
March	104.2	109.1	104.9	104.2	109.2	104.8	103.5	107.0	103.9
June	103.8	105.9	104.1	104.1	106.3	104.3	103.6	105.4	103.8

(a) Index reference period: 2011-12 = 100.0.

(c) Excluding exports.

(b) Compiled on an ANZSIC 2006 basis.

STAGE OF PRODUCTION(a): Percentage changes by stage and source

Period	PRELIMINARY DEMAND			INTERMEDIATE DEMAND			FINAL DEMAND(b)		
	Domestic	Imports	Total	Domestic	Imports	Total	Domestic	Imports	Total
PERCENTAGE CHANGE FROM PREVIOUS YEAR									
2010-11	4.8	4.3	4.8	4.2	1.6	3.9	3.8	-3.7	2.8
2011-12	3.6	7.6	4.0	3.2	4.7	3.4	2.4	-0.9	2.0
2012-13	1.3	-0.6	1.1	1.7	-0.9	1.4	1.4	-1.0	1.2
2013-14	2.2	7.1	2.8	1.9	8.0	2.6	1.7	6.5	2.1
PERCENTAGE CHANGE FROM PREVIOUS QUARTER									
2009									
December	-0.3	-3.1	-0.8	-0.5	-3.9	-0.9	0.3	-5.2	-0.4
2010									
March	1.1	0.0	1.0	1.4	0.3	1.2	1.0	1.3	1.0
June	1.1	4.0	1.4	0.8	2.5	1.0	0.4	-0.1	0.3
September	1.4	0.7	1.3	1.1	1.3	1.1	1.4	0.9	1.4
December	0.4	-3.1	0.0	0.5	-3.5	0.1	0.7	-4.3	0.1
2011									
March	2.4	3.8	2.7	2.2	2.0	2.2	1.3	-0.4	1.1
June	2.2	7.3	2.8	1.9	4.2	2.2	1.1	-1.3	0.8
September	0.2	-1.0	0.0	0.1	-0.4	0.0	0.7	0.0	0.6
December	0.2	2.3	0.4	0.1	2.3	0.4	0.0	2.2	0.3
2012									
March	0.3	-1.3	0.1	0.4	-1.4	0.2	-0.1	-1.5	-0.3
June	0.5	3.7	0.9	0.5	3.1	0.8	0.3	2.0	0.5
September	0.2	-4.0	-0.2	0.6	-3.6	0.1	0.9	-2.3	0.6
December	0.6	1.0	0.6	0.6	0.5	0.6	0.1	0.1	0.2
2013									
March	0.1	0.4	0.2	0.0	0.3	0.0	0.4	-0.4	0.3
June	-0.2	-0.7	-0.3	0.0	0.2	0.1	0.1	0.4	0.1
September	1.5	5.9	2.0	1.1	6.8	1.7	0.8	5.9	1.3
December	0.3	0.4	0.3	0.4	-0.1	0.3	0.3	-0.7	0.2
2014									
March	1.1	3.3	1.5	0.9	2.8	1.2	0.7	2.7	0.9
June	-0.4	-2.9	-0.8	-0.1	-2.7	-0.5	0.1	-1.5	-0.1
PERCENTAGE CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR									
2009									
December	-5.8	-23.0	-8.4	-4.4	-19.6	-6.5	0.2	-12.0	-1.5
2010									
March	-2.1	-8.4	-3.1	-0.7	-12.1	-2.2	2.2	-14.3	-0.2
June	0.9	3.1	1.1	1.1	-2.2	0.6	2.6	-8.9	0.9
September	3.3	1.4	3.0	2.7	0.1	2.4	3.1	-3.2	2.2
December	4.1	1.5	3.7	3.8	0.4	3.4	3.5	-2.3	2.7
2011									
March	5.4	5.4	5.5	4.6	2.2	4.4	3.9	-3.9	2.9
June	6.5	8.7	6.9	5.9	3.9	5.6	4.6	-5.1	3.4
September	5.3	6.9	5.5	4.8	2.2	4.5	4.0	-5.9	2.7
December	5.1	12.8	5.9	4.4	8.4	4.8	3.2	0.5	2.9
2012									
March	2.9	7.3	3.3	2.6	4.8	2.8	1.7	-0.6	1.4
June	1.2	3.7	1.4	1.1	3.7	1.4	0.9	2.7	1.1
September	1.2	0.6	1.2	1.6	0.3	1.5	1.1	0.4	1.1
December	1.6	-0.7	1.4	2.1	-1.5	1.7	1.2	-1.7	1.0
2013									
March	1.4	1.0	1.5	1.7	0.2	1.5	1.7	-0.6	1.6
June	0.7	-3.3	0.3	1.2	-2.6	0.8	1.5	-2.2	1.2
September	2.0	6.7	2.5	1.7	7.9	2.4	1.4	6.0	1.9
December	1.7	6.0	2.2	1.5	7.3	2.1	1.6	5.1	1.9
2014									
March	2.7	9.1	3.5	2.4	10.0	3.3	1.9	8.4	2.5
June	2.5	6.6	3.0	2.3	6.8	2.7	1.9	6.4	2.3

(a) Compiled on an ANZSIC 2006 basis.

(b) Excluding exports.

STAGE OF PRODUCTION(a)(b): Final demand by source and destination – excluding exports – index numbers

Period	DOMESTIC(c)			IMPORTS			TOTAL(c)		
	Consumer	Capital	Total	Consumer	Capital	Total	Consumer	Capital	Total
2010-11	96.2	98.8	97.7	99.8	102.3	100.9	96.7	99.1	98.0
2011-12	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
2012-13	101.4	101.1	101.4	97.9	100.4	99.0	101.3	101.0	101.2
2013-14	103.1	102.9	103.1	105.2	105.7	105.4	103.3	103.2	103.4
2009									
June	87.9	96.1	92.5	110.6	118.7	114.1	91.2	98.1	95.0
September	90.3	95.7	93.3	105.8	111.6	108.3	92.5	97.2	95.1
December	90.5	96.1	93.6	100.5	105.7	102.7	92.0	96.9	94.7
2010									
March	91.7	96.7	94.5	101.7	107.2	104.0	93.2	97.7	95.6
June	92.0	97.1	94.9	102.4	106.1	103.9	93.5	97.9	95.9
September	93.9	97.9	96.2	103.1	107.0	104.8	95.3	98.8	97.2
December	94.8	98.5	96.9	98.4	102.9	100.3	95.3	98.9	97.3
2011									
March	97.4	98.8	98.2	99.1	101.0	99.9	97.6	99.0	98.4
June	98.5	99.9	99.3	98.7	98.4	98.6	98.5	99.7	99.2
September	100.4	99.7	100.0	98.5	98.7	98.6	100.1	99.6	99.8
December	99.9	100.0	100.0	100.8	100.9	100.8	100.0	100.1	100.1
2012									
March	99.7	100.0	99.9	99.4	99.2	99.3	99.7	100.0	99.8
June	100.0	100.3	100.2	101.4	101.2	101.3	100.2	100.3	100.3
September	101.2	100.5	101.1	98.0	100.4	99.0	101.1	100.5	100.9
December	101.3	100.7	101.2	98.0	100.6	99.1	101.2	100.7	101.1
2013									
March	101.6	101.3	101.6	97.6	100.2	98.7	101.5	101.1	101.4
June	101.5	101.8	101.7	98.1	100.4	99.1	101.4	101.6	101.5
September	102.5	102.2	102.5	104.7	105.2	104.9	102.8	102.5	102.8
December	102.8	102.8	102.8	103.7	105.0	104.2	102.9	103.0	103.0
2014									
March	103.6	103.0	103.5	106.7	107.6	107.0	103.9	103.6	103.9
June	103.5	103.7	103.6	105.6	105.0	105.4	103.7	103.8	103.8

(a) Compiled on an ANZSIC 2006 basis.

(c) Excluding exports.

(b) Index reference period: 2011-12 = 100.0.

STAGE OF PRODUCTION(a): Final demand by source and destination – excluding exports – percentage changes

Period	DOMESTIC(b)			IMPORTS			TOTAL(b)		
	Consumer	Capital	Total	Consumer	Capital	Total	Consumer	Capital	Total
PERCENTAGE CHANGE FROM PREVIOUS YEAR									
2010–11	5.5	2.5	3.8	-2.7	-4.9	-3.7	4.2	1.7	2.8
2011–12	4.0	1.2	2.4	0.2	-2.3	-0.9	3.4	0.9	2.0
2012–13	1.4	1.1	1.4	-2.1	0.4	-1.0	1.3	1.0	1.2
2013–14	1.7	1.8	1.7	7.4	5.3	6.5	2.0	2.2	2.1
PERCENTAGE CHANGE FROM PREVIOUS QUARTER									
2009									
December	0.2	0.4	0.3	-5.0	-5.3	-5.2	-0.5	-0.3	-0.4
2010									
March	1.3	0.6	1.0	1.2	1.4	1.3	1.3	0.8	1.0
June	0.3	0.4	0.4	0.7	-1.0	-0.1	0.3	0.2	0.3
September	2.1	0.8	1.4	0.7	0.8	0.9	1.9	0.9	1.4
December	1.0	0.6	0.7	-4.6	-3.8	-4.3	0.0	0.1	0.1
2011									
March	2.7	0.3	1.3	0.7	-1.8	-0.4	2.4	0.1	1.1
June	1.1	1.1	1.1	-0.4	-2.6	-1.3	0.9	0.7	0.8
September	1.9	-0.2	0.7	-0.2	0.3	0.0	1.6	-0.1	0.6
December	-0.5	0.3	0.0	2.3	2.2	2.2	-0.1	0.5	0.3
2012									
March	-0.2	0.0	-0.1	-1.4	-1.7	-1.5	-0.3	-0.1	-0.3
June	0.3	0.3	0.3	2.0	2.0	2.0	0.5	0.3	0.5
September	1.2	0.2	0.9	-3.4	-0.8	-2.3	0.9	0.2	0.6
December	0.1	0.2	0.1	0.0	0.2	0.1	0.1	0.2	0.2
2013									
March	0.3	0.6	0.4	-0.4	-0.4	-0.4	0.3	0.4	0.3
June	-0.1	0.5	0.1	0.5	0.2	0.4	-0.1	0.5	0.1
September	1.0	0.4	0.8	6.7	4.8	5.9	1.4	0.9	1.3
December	0.3	0.6	0.3	-1.0	-0.2	-0.7	0.1	0.5	0.2
2014									
March	0.8	0.2	0.7	2.9	2.5	2.7	1.0	0.6	0.9
June	-0.1	0.7	0.1	-1.0	-2.4	-1.5	-0.2	0.2	-0.1
PERCENTAGE CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR									
2009									
December	2.7	-1.5	0.2	-11.8	-12.1	-12.0	0.1	-2.7	-1.5
2010									
March	4.8	0.4	2.2	-13.2	-15.6	-14.3	1.4	-1.3	-0.2
June	4.7	1.0	2.6	-7.4	-10.6	-8.9	2.5	-0.2	0.9
September	4.0	2.3	3.1	-2.6	-4.1	-3.2	3.0	1.6	2.2
December	4.8	2.5	3.5	-2.1	-2.6	-2.3	3.6	2.1	2.7
2011									
March	6.2	2.2	3.9	-2.6	-5.8	-3.9	4.7	1.3	2.9
June	7.1	2.9	4.6	-3.6	-7.3	-5.1	5.3	1.8	3.4
September	6.9	1.8	4.0	-4.5	-7.8	-5.9	5.0	0.8	2.7
December	5.4	1.5	3.2	2.4	-1.9	0.5	4.9	1.2	2.9
2012									
March	2.4	1.2	1.7	0.3	-1.8	-0.6	2.2	1.0	1.4
June	1.5	0.4	0.9	2.7	2.8	2.7	1.7	0.6	1.1
September	0.8	0.8	1.1	-0.5	1.7	0.4	1.0	0.9	1.1
December	1.4	0.7	1.2	-2.8	-0.3	-1.7	1.2	0.6	1.0
2013									
March	1.9	1.3	1.7	-1.8	1.0	-0.6	1.8	1.1	1.6
June	1.5	1.5	1.5	-3.3	-0.8	-2.2	1.2	1.3	1.2
September	1.3	1.7	1.4	6.8	4.8	6.0	1.7	2.0	1.9
December	1.5	2.1	1.6	5.8	4.4	5.1	1.7	2.3	1.9
2014									
March	2.0	1.7	1.9	9.3	7.4	8.4	2.4	2.5	2.5
June	2.0	1.9	1.9	7.6	4.6	6.4	2.3	2.2	2.3

(a) Compiled on an ANZSIC 2006 basis.

(b) Excluding exports.

STAGE OF PRODUCTION(a): Contribution to Final demand index by industry and source

- index points

Selected ANZSIC 2006 Codes	DOMESTIC(b)			IMPORTS			TOTAL(b)			
	Mar Qtr	Jun Qtr	Change	Mar Qtr	Jun Qtr	Change	Mar Qtr	Jun Qtr	Change	
	2014	2014		2014	2014					
014, 016	Sheep, Beef Cattle and Grain Farming; and Dairy Cattle Farming	0.20	0.20	0.00	..	..	..	0.18	0.19	0.01
011-013, 015, 017-019	Other Agriculture(c)	0.60	0.56	-0.04	..	..	..	0.58	0.55	-0.03
041	Fishing	0.05	0.05	0.00	..	..	..	0.04	0.05	0.01
111	Meat and Meat Product mfg	0.47	0.48	0.01	..	..	..	0.45	0.45	0.00
112	Seafood Processing	0.02	0.02	0.00	0.33	0.32	-0.01	0.04	0.04	0.00
113	Dairy Product mfg	0.46	0.47	0.01	0.54	0.57	0.03	0.47	0.48	0.01
114	Fruit and Vegetable Processing	0.28	0.28	0.00	1.01	0.99	-0.02	0.34	0.34	0.00
115	Oil and Fat mfg	..	..	..	0.13	0.13	0.00	0.05	0.05	0.00
116	Grain Mill and Cereal Product mfg	0.17	0.17	0.00	..	..	..	0.17	0.17	0.00
117	Bakery Product mfg	0.40	0.38	-0.02	..	..	..	0.40	0.39	-0.01
118	Sugar and Confectionery mfg	0.27	0.28	0.01	0.47	0.46	-0.01	0.29	0.30	0.01
119	Other Food Product mfg	0.30	0.30	0.00	0.98	1.00	0.02	0.36	0.36	0.00
121	Beverage mfg	0.79	0.80	0.01	0.70	0.70	0.00	0.78	0.79	0.01
122	Cigarette and Tobacco Product mfg	..	..	..	1.34	1.44	0.10	0.21	0.23	0.02
131	Textile mfg	0.00	0.00	0.00	0.05	0.05	0.00	0.01	0.01	0.00
132	Leather Tanning, Fur Dressing and Leather Product mfg	..	..	..	0.38	0.37	-0.01	0.04	0.04	0.00
133	Textile Product mfg	0.16	0.16	0.00	0.98	0.96	-0.02	0.23	0.23	0.00
134	Knitted Product mfg	0.03	0.03	0.00	0.44	0.38	-0.06	0.06	0.06	0.00
1351	Clothing mfg	0.13	0.13	0.00	3.81	3.64	-0.17	0.44	0.43	-0.01
1352	Footwear mfg	0.02	0.02	0.00	1.27	1.19	-0.08	0.13	0.12	-0.01
149	Other Wood Product mfg	0.02	0.02	0.00	..	..	..	0.02	0.02	0.00
151	Pulp, Paper and Paperboard mfg	0.01	0.01	0.00	..	..	..	0.01	0.01	0.00
152	Converted Paper Product mfg	0.11	0.11	0.00	0.36	0.33	-0.03	0.13	0.13	0.00
161	Printing and Printing Support Services	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1701	Petroleum Refining and Petroleum Fuel mfg	0.83	0.81	-0.02	2.00	1.99	-0.01	0.93	0.91	-0.02
182	Basic Polymer mfg	..	..	..	0.00	0.00	0.00	0.00	0.00	0.00
184	Pharmaceutical and Medicinal Product mfg	0.27	0.27	0.00	3.82	4.20	0.38	0.58	0.61	0.03
185	Cleaning Compound and Toiletary Preparation mfg	0.10	0.10	0.00	1.11	1.10	-0.01	0.19	0.19	0.00
189	Other Basic Chemical Product mfg	0.03	0.03	0.00	0.18	0.18	0.00	0.04	0.04	0.00
191	Polymer Product mfg	0.17	0.17	0.00	1.13	1.11	-0.02	0.25	0.25	0.00
192	Natural Rubber Product mfg	0.00	0.00	0.00	0.06	0.05	-0.01	0.01	0.01	0.00
212	Basic Ferrous Metal Product mfg	..	..	..	0.00	0.00	0.00	0.00	0.00	0.00
214	Basic Non-Ferrous Metal Product mfg	..	..	..	0.01	0.01	0.00	0.00	0.00	0.00
223	Metal Container mfg	0.15	0.15	0.00	..	..	..	0.19	0.19	0.00
229	Other Fabricated Metal Product mfg	0.07	0.07	0.00	0.46	0.46	0.00	0.10	0.10	0.00
231	Motor Vehicle and Motor Vehicle Part mfg	1.02	1.04	0.02	19.54	19.49	-0.05	2.62	2.63	0.01
239	Other Transport Equipment mfg	0.38	0.37	-0.01	6.84	6.58	-0.26	0.94	0.90	-0.04
241	Professional and Scientific Equipment mfg	0.09	0.08	-0.01	4.01	3.83	-0.18	0.42	0.41	-0.01
242	Computer and Electronic Equipment mfg	0.21	0.21	0.00	9.71	9.33	-0.38	1.03	0.99	-0.04
243	Electrical Equipment mfg	0.11	0.11	0.00	2.54	2.41	-0.13	0.32	0.31	-0.01
244	Domestic Appliance mfg	0.15	0.15	0.00	3.87	3.74	-0.13	0.47	0.46	-0.01
245	Pump, Compressor, Heating and Ventilation Equipment mfg	0.12	0.12	0.00	1.35	1.30	-0.05	0.23	0.23	0.00
246	Specialised Machinery and Equipment mfg	0.41	0.41	0.00	8.53	8.44	-0.09	1.11	1.11	0.00
249	Other Machinery and Equipment mfg	0.13	0.13	0.00	3.00	2.92	-0.08	0.38	0.37	-0.01
25	Furniture and Other mfg	0.48	0.48	0.00	5.01	4.85	-0.16	0.87	0.85	-0.02

.. not applicable

(a) Index reference period: 2011-12 = 100.0.

(b) Excluding exports.

(c) Nursery and floriculture production; mushroom and vegetable growing; fruit and tree nut growing; other crop growing; poultry farming; deer farming; and other livestock farming.

Note: Index points will not sum to the total, due to incomplete coverage of the economy.

STAGE OF PRODUCTION(a): Contribution to Final demand index by industry and source
 – index points *continued*

Selected ANZSIC 2006 Codes		DOMESTIC(b)			IMPORTS			TOTAL(b)		
		Mar Qtr	Jun Qtr	Change	Mar Qtr	Jun Qtr	Change	Mar Qtr	Jun Qtr	Change
		2014	2014		2014	2014		2014		
26–28	Electricity Supply; Gas Supply; and Water Supply, Sewerage and Drainage Services	2.56	2.55	–0.01	..	..	..	2.34	2.33	–0.01
30	Building Construction	10.58	10.71	0.13	..	..	..	9.67	9.79	0.12
3101	Road and Bridge Construction	1.99	2.00	0.01	..	..	..	1.82	1.83	0.01
440	Accommodation	0.35	0.33	–0.02	..	..	..	0.51	0.48	–0.03
451	Cafes, Restaurants and Takeaway Food Services	2.40	2.41	0.01	..	..	..	2.31	2.32	0.01
461	Road Freight Transport	0.85	0.85	0.00	..	..	..	0.78	0.78	0.00
471	Rail Freight Transport	0.08	0.09	0.01	..	..	..	0.08	0.08	0.00
481	Water Freight Transport	0.01	0.01	0.00	..	..	..	0.01	0.01	0.00
541	Newspaper, Periodical, Book and Directory Publishing	0.33	0.33	0.00	..	..	..	0.33	0.34	0.01
592	Data Processing, Web Hosting and Electronic Information Storage Services	0.00	0.00	0.00	..	..	..	0.00	0.00	0.00
672	Real Estate Services	0.85	0.85	0.00	..	..	..	0.78	0.78	0.00
692	Architectural, Engineering and Technical Services	0.49	0.49	0.00	..	..	..	0.46	0.46	0.00
693	Legal and Accounting Services	0.38	0.38	0.00	..	..	..	0.35	0.35	0.00
697	Veterinary Services	0.14	0.14	0.00	..	..	..	0.14	0.14	0.00
700	Computer System Design and Related Services	1.00	1.00	0.00	..	..	..	0.93	0.93	0.00
	Total	103.5	103.6	0.1	107.1	105.4	–1.7	103.9	103.8	–0.1

.. not applicable

(a) Index reference period: 2011–12 = 100.0.

(b) Excluding exports.

Note: Index points will not sum to the total, due to incomplete coverage of the economy.

STAGE OF PRODUCTION(a)(b): Contribution to Domestic Final demand index by industry and destination – index points

Selected ANZSIC 2006 Codes	CONSUMER			CAPITAL			TOTAL			
	Mar Qtr	Jun Qtr	Change	Mar Qtr	Jun Qtr	Change	Mar Qtr	Jun Qtr	Change	
	2014	2014		2014	2014		2014	2014		2014
014, 016	Sheep, Beef Cattle and Grain Farming; and Dairy Cattle Farming	0.01	0.01	0.00	..	..	..	0.20	0.20	0.00
011–013, 015, 017–019	Other Agriculture(c)	0.76	0.71	–0.05	..	..	..	0.60	0.56	–0.04
041	Fishing	0.06	0.07	0.01	..	..	..	0.05	0.05	0.00
111	Meat and Meat Product mfg	0.64	0.65	0.01	..	..	..	0.47	0.48	0.01
112	Seafood Processing	0.02	0.02	0.00	..	..	..	0.02	0.02	0.00
113	Dairy Product mfg	0.62	0.63	0.01	..	..	..	0.46	0.47	0.01
114	Fruit and Vegetable Processing	0.38	0.38	0.00	..	..	..	0.28	0.28	0.00
116	Grain Mill and Cereal Product mfg	0.23	0.23	0.00	..	..	..	0.17	0.17	0.00
117	Bakery Product mfg	0.54	0.52	–0.02	..	..	..	0.40	0.38	–0.02
118	Sugar and Confectionery mfg	0.37	0.38	0.01	..	..	..	0.27	0.28	0.01
119	Other Food Product mfg	0.40	0.41	0.01	..	..	..	0.30	0.30	0.00
121	Beverage mfg	1.07	1.09	0.02	..	..	..	0.79	0.80	0.01
131	Textile mfg	0.00	0.00	0.00	..	..	..	0.00	0.00	0.00
133	Textile Product mfg	0.16	0.16	0.00	..	..	..	0.16	0.16	0.00
134	Knitted Product mfg	0.03	0.04	0.01	..	..	..	0.03	0.03	0.00
1351	Clothing mfg	0.17	0.17	0.00	..	..	..	0.13	0.13	0.00
1352	Footwear mfg	0.02	0.02	0.00	..	..	..	0.02	0.02	0.00
149	Other Wood Product mfg	0.00	0.00	0.00	..	..	..	0.02	0.02	0.00
151	Pulp, Paper and Paperboard mfg	0.01	0.01	0.00	..	..	..	0.01	0.01	0.00
152	Converted Paper Product mfg	0.15	0.15	0.00	..	..	..	0.11	0.11	0.00
161	Printing and Printing Support Services	0.00	0.00	0.00	..	..	..	0.00	0.00	0.00
1701	Petroleum Refining and Petroleum Fuel mfg	1.13	1.10	–0.03	..	..	..	0.83	0.81	–0.02
184	Pharmaceutical and Medicinal Product mfg	0.37	0.37	0.00	..	..	..	0.27	0.27	0.00
185	Cleaning Compound and Toiletry Preparation mfg	0.14	0.14	0.00	..	..	..	0.10	0.10	0.00
189	Other Basic Chemical Product mfg	0.04	0.04	0.00	..	..	..	0.03	0.03	0.00
191	Polymer Product mfg	0.10	0.10	0.00	..	..	..	0.17	0.17	0.00
192	Natural Rubber Product mfg	0.00	0.00	0.00	..	..	..	0.00	0.00	0.00
223	Metal Container mfg	..	..	..	0.57	0.58	0.01	0.15	0.15	0.00
229	Other Fabricated Metal Product mfg	..	..	..	0.16	0.16	0.00	0.07	0.07	0.00
231	Motor Vehicle and Motor Vehicle Part mfg	0.93	0.95	0.02	1.28	1.30	0.02	1.02	1.04	0.02
239	Other Transport Equipment mfg	0.07	0.07	0.00	1.26	1.22	–0.04	0.38	0.37	–0.01
241	Professional and Scientific Equipment mfg	..	..	..	0.16	0.16	0.00	0.09	0.08	–0.01
242	Computer and Electronic Equipment mfg	0.07	0.07	0.00	0.60	0.59	–0.01	0.21	0.21	0.00
243	Electrical Equipment mfg	0.02	0.02	0.00	0.39	0.38	–0.01	0.11	0.11	0.00
244	Domestic Appliance mfg	0.15	0.15	0.00	0.15	0.15	0.00	0.15	0.15	0.00
245	Pump, Compressor, Heating and Ventilation Equipment mfg	..	..	..	0.47	0.47	0.00	0.12	0.12	0.00
246	Specialised Machinery and Equipment mfg	..	..	..	1.55	1.56	0.01	0.41	0.41	0.00
249	Other Machinery and Equipment mfg	..	..	..	0.50	0.51	0.01	0.13	0.13	0.00
25	Furniture and Other mfg	0.42	0.42	0.00	0.65	0.65	0.00	0.48	0.48	0.00

.. not applicable

(a) Index reference period: 2011–12 = 100.0.

(b) Excluding exports.

(c) Nursery and floriculture production; mushroom and vegetable growing; fruit and tree nut growing; other crop growing; poultry farming; deer farming; and other livestock farming.

Note: Index points will not sum to the total, due to incomplete coverage of the economy.

STAGE OF PRODUCTION(a)(b): Contribution to Domestic Final demand index by industry and destination – index points *continued*

Selected ANZSIC 2006 Codes	CONSUMER			CAPITAL			TOTAL			
	Mar Qtr	Jun Qtr	Change	Mar Qtr	Jun Qtr	Change	Mar Qtr	Jun Qtr	Change	
	2014	2014		2014	2014		2014	2014		2014
26-28	Electricity Supply; Gas Supply; and Water Supply, Sewerage and Drainage Services	3.46	3.45	-0.01	..	..	..	2.56	2.55	-0.01
30	Building Construction	..	..	..	40.43	40.91	0.48	10.58	10.71	0.13
3101	Road and Bridge Construction	..	..	..	6.40	6.43	0.03	1.99	2.00	0.01
440	Accommodation	0.47	0.44	-0.03	..	..	..	0.35	0.33	-0.02
451	Cafes, Restaurants and Takeaway Food Services	3.24	3.26	0.02	..	..	..	2.40	2.41	0.01
461	Road Freight Transport	0.90	0.90	0.00	..	..	..	0.85	0.85	0.00
471	Rail Freight Transport	0.11	0.11	0.00	..	..	..	0.08	0.09	0.01
481	Water Freight Transport	0.01	0.01	0.00	..	..	..	0.01	0.01	0.00
541	Newspaper, Periodical, Book and Directory Publishing	0.45	0.45	0.00	..	..	..	0.33	0.33	0.00
592	Data Processing, Web Hosting and Electronic Information Storage Services	0.00	0.00	0.00	..	..	..	0.00	0.00	0.00
672	Real Estate Services	..	..	..	3.25	3.25	0.00	0.85	0.85	0.00
692	Architectural, Engineering and Technical Services	..	..	..	1.87	1.88	0.01	0.49	0.49	0.00
693	Legal and Accounting Services	..	..	..	0.38	0.38	0.00	0.38	0.38	0.00
697	Veterinary Services	0.19	0.19	0.00	..	..	..	0.14	0.14	0.00
700	Computer System Design and Related Services	..	..	..	3.80	3.81	0.01	1.00	1.00	0.00
	Total	103.6	103.5	-0.1	103.1	103.7	0.6	103.5	103.6	0.1

.. not applicable

(a) Index reference period: 2011-12 = 100.0.

(b) Excluding exports.

Note: Index points will not sum to the total, due to incomplete coverage of the economy.

STAGE OF PRODUCTION(a): Contribution to Imported Final demand index by industry and destination – index points

Selected ANZSIC 2006 Codes	CONSUMER			CAPITAL			TOTAL			
	Mar Qtr	Jun Qtr	Change	Mar Qtr	Jun Qtr	Change	Mar Qtr	Jun Qtr	Change	
	2014	2014		2014	2014					
112	Seafood Processing	0.57	0.56	-0.01	..	..	..	0.33	0.32	-0.01
113	Dairy Product mfg	0.94	0.99	0.05	..	..	..	0.54	0.57	0.03
114	Fruit and Vegetable Processing	1.76	1.72	-0.04	..	..	..	1.01	0.99	-0.02
115	Oil and Fat mfg	0.22	0.22	0.00	..	..	..	0.13	0.13	0.00
118	Sugar and Confectionery mfg	0.82	0.80	-0.02	..	..	..	0.47	0.46	-0.01
119	Other Food Product mfg	1.71	1.74	0.03	..	..	..	0.98	1.00	0.02
121	Beverage mfg	1.22	1.21	-0.01	..	..	..	0.70	0.70	0.00
122	Cigarette and Tobacco Product mfg	2.33	2.51	0.18	..	..	..	1.34	1.44	0.10
131	Textile mfg	0.09	0.08	-0.01	..	..	..	0.05	0.05	0.00
132	Leather Tanning, Fur Dressing and Leather Product mfg	0.66	0.65	-0.01	..	..	..	0.38	0.37	-0.01
133	Textile Product mfg	1.50	1.49	-0.01	..	..	..	0.98	0.96	-0.02
134	Knitted Product mfg	0.76	0.66	-0.10	..	..	..	0.44	0.38	-0.06
1351	Clothing mfg	6.64	6.35	-0.29	..	..	..	3.81	3.64	-0.17
1352	Footwear mfg	2.22	2.08	-0.14	..	..	..	1.27	1.19	-0.08
152	Converted Paper Product mfg	0.63	0.57	-0.06	..	..	..	0.36	0.33	-0.03
161	Printing and Printing Support Services	0.00	0.00	0.00	..	..	..	0.00	0.00	0.00
1701	Petroleum Refining and Petroleum Fuel mfg	3.49	3.46	-0.03	..	..	..	2.00	1.99	-0.01
182	Basic Polymer mfg	0.00	0.00	0.00	..	..	..	0.00	0.00	0.00
184	Pharmaceutical and Medicinal Product mfg	6.66	7.31	0.65	..	..	..	3.82	4.20	0.38
185	Cleaning Compound and Toiletry Preparation mfg	1.93	1.92	-0.01	..	..	..	1.11	1.10	-0.01
189	Other Basic Chemical Product mfg	0.32	0.31	-0.01	..	..	..	0.18	0.18	0.00
191	Polymer Product mfg	1.56	1.53	-0.03	..	..	..	1.13	1.11	-0.02
192	Natural Rubber Product mfg	0.03	0.02	-0.01	..	..	..	0.06	0.05	-0.01
212	Basic Ferrous Metal Product mfg	0.00	0.00	0.00	..	..	..	0.00	0.00	0.00
214	Basic Non-Ferrous Metal Product mfg	0.01	0.01	0.00	..	..	..	0.01	0.01	0.00
229	Other Fabricated Metal Product mfg	0.66	0.65	-0.01	..	..	..	0.46	0.46	0.00
231	Motor Vehicle and Motor Vehicle Part mfg	14.23	14.21	-0.02	26.71	26.60	-0.11	19.54	19.49	-0.05
239	Other Transport Equipment mfg	1.88	1.81	-0.07	13.51	13.01	-0.50	6.84	6.58	-0.26
241	Professional and Scientific Equipment mfg	2.50	2.38	-0.12	6.04	5.79	-0.25	4.01	3.83	-0.18
242	Computer and Electronic Equipment mfg	4.19	4.06	-0.13	17.15	16.43	-0.72	9.71	9.33	-0.38
243	Electrical Equipment mfg	0.44	0.42	-0.02	5.37	5.10	-0.27	2.54	2.41	-0.13
244	Domestic Appliance mfg	5.31	5.13	-0.18	1.93	1.85	-0.08	3.87	3.74	-0.13
245	Pump, Compressor, Heating and Ventilation Equipment mfg	..	..	..	3.16	3.03	-0.13	1.35	1.30	-0.05
246	Specialised Machinery and Equipment mfg	..	..	..	19.64	19.45	-0.19	8.53	8.44	-0.09
249	Other Machinery and Equipment mfg	..	..	..	7.03	6.84	-0.19	3.00	2.92	-0.08
25	Furniture and Other mfg	7.13	6.89	-0.24	2.15	2.11	-0.04	5.01	4.85	-0.16
Total		106.7	105.6	-1.1	107.6	105.0	-2.6	107.1	105.4	-1.7

.. not applicable

(a) Index reference period: 2011–12 = 100.0.

Note: Index points will not sum to the total, due to incomplete coverage of the economy.

STAGE OF PRODUCTION(a): Contribution to Intermediate demand index by industry and source – index points

Selected ANZSIC 2006 Codes	DOMESTIC			IMPORTS			TOTAL		
	Mar Qtr	Jun Qtr	Change	Mar Qtr	Jun Qtr	Change	Mar Qtr	Jun Qtr	Change
	2014	2014		2014	2014				
014, 016	Sheep, Beef Cattle and Grain Farming; and Dairy Cattle Farming								
	1.18	1.25	0.07	..	..	..	1.05	1.12	0.07
011–013, 015, 017–019	Other Agriculture(b)								
	1.16	1.12	-0.04	..	..	..	1.09	1.05	-0.04
041	Fishing								
	0.14	0.13	-0.01	..	..	..	0.14	0.13	-0.01
060	Coal Mining								
	0.64	0.58	-0.06	..	..	..	0.57	0.52	-0.05
070	Oil and Gas Extraction								
	0.89	0.88	-0.01	11.86	11.15	-0.71	2.09	2.00	-0.09
080	Metal Ore Mining								
	0.15	0.14	-0.01	0.37	0.36	-0.01	0.17	0.16	-0.01
09	Non–Metallic Mineral Mining and Quarrying								
	0.14	0.14	0.00	0.13	0.13	0.00	0.14	0.14	0.00
111	Meat and Meat Product mfg								
	1.21	1.23	0.02	..	..	..	1.12	1.13	0.01
112	Seafood Processing								
	0.08	0.08	0.00	0.84	0.85	0.01	0.17	0.17	0.00
113	Dairy Product mfg								
	0.60	0.61	0.01	0.67	0.71	0.04	0.61	0.62	0.01
114–115	Fruit and Vegetable Processing; Oil and Fat mfg								
	0.37	0.37	0.00	1.28	1.22	-0.06	0.47	0.46	-0.01
116	Grain Mill and Cereal Product mfg								
	0.30	0.27	-0.03	..	..	..	0.32	0.30	-0.02
117	Bakery Product mfg								
	0.25	0.24	-0.01	..	..	..	0.24	0.24	0.00
118	Sugar and Confectionery mfg								
	0.36	0.36	0.00	0.40	0.39	-0.01	0.37	0.36	-0.01
119	Other Food Product mfg								
	0.41	0.42	0.01	0.79	0.79	0.00	0.45	0.46	0.01
121	Beverage mfg								
	0.84	0.85	0.01	0.96	0.95	-0.01	0.85	0.86	0.01
13	Textile, Leather, Clothing and Footwear mfg								
	0.44	0.44	0.00	7.23	6.98	-0.25	1.18	1.16	-0.02
141	Log Sawmilling and Timber Dressing								
	0.35	0.36	0.01	0.77	0.77	0.00	0.39	0.41	0.02
149	Other Wood Product mfg								
	0.96	0.96	0.00	0.84	0.79	-0.05	0.94	0.94	0.00
151	Pulp, Paper and Paperboard mfg								
	0.10	0.09	-0.01	1.06	1.04	-0.02	0.21	0.20	-0.01
152	Converted Paper Product mfg								
	0.63	0.63	0.00	..	..	..	0.62	0.62	0.00
161	Printing and Printing Support Services								
	0.97	1.01	0.04	..	..	..	0.87	0.90	0.03
1701	Petroleum Refining and Petroleum Fuel mfg								
	1.52	1.32	-0.20	6.49	6.29	-0.20	2.06	1.86	-0.20
182	Basic Polymer mfg								
	0.21	0.21	0.00	1.38	1.34	-0.04	0.34	0.33	-0.01
184	Pharmaceutical and Medicinal Product mfg								
	0.10	0.10	0.00	1.52	1.67	0.15	0.25	0.27	0.02
185	Cleaning Compound and Toiletary Preparation mfg								
	0.10	0.10	0.00	0.48	0.48	0.00	0.14	0.14	0.00
189	Other Basic Chemical Product mfg								
	0.33	0.33	0.00	0.95	0.95	0.00	0.40	0.39	-0.01
191	Polymer Product mfg								
	1.53	1.54	0.01	6.18	5.95	-0.23	2.03	2.02	-0.01
192	Natural Rubber Product mfg								
	0.09	0.09	0.00	0.85	0.77	-0.08	0.17	0.16	-0.01
20	Non–Metallic Mineral Product mfg								
	1.63	1.61	-0.02	2.10	2.03	-0.07	1.68	1.66	-0.02
212	Basic Ferrous Metal Product mfg								
	0.63	0.64	0.01	2.86	2.72	-0.14	0.87	0.87	0.00
213	Basic Non–Ferrous Metal mfg								
	0.54	0.53	-0.01	0.32	0.30	-0.02	0.52	0.51	-0.01
214	Basic Non–Ferrous Metal Product mfg								
	0.23	0.22	-0.01	1.12	1.09	-0.03	0.33	0.32	-0.01
222	Structural Metal Product mfg								
	1.81	1.82	0.01	0.65	0.69	0.04	1.68	1.70	0.02
223	Metal Container mfg								
	0.07	0.07	0.00	0.17	0.16	-0.01	0.08	0.08	0.00
229	Other Fabricated Metal Product mfg								
	0.63	0.62	-0.01	2.94	2.83	-0.11	0.88	0.86	-0.02
231	Motor Vehicle and Motor Vehicle Part mfg								
	1.13	1.14	0.01	7.39	7.39	0.00	1.81	1.82	0.01
239	Other Transport Equipment mfg								
	0.62	0.62	0.00	0.98	0.92	-0.06	0.66	0.65	-0.01
241	Professional and Scientific Equipment mfg								
	0.14	0.14	0.00	3.58	3.53	-0.05	0.51	0.51	0.00
242	Computer and Electronic Equipment mfg								
	0.21	0.21	0.00	4.56	4.38	-0.18	0.68	0.66	-0.02
243	Electrical Equipment mfg								
	0.34	0.34	0.00	4.36	4.25	-0.11	0.78	0.77	-0.01
244	Domestic Appliance mfg								
	0.03	0.03	0.00	0.69	0.67	-0.02	0.11	0.10	-0.01
245	Pump, Compressor, Heating and Ventilation Equipment mfg								
	0.10	0.10	0.00	0.90	0.85	-0.05	0.18	0.18	0.00
246	Specialised Machinery and Equipment mfg								
	0.12	0.12	0.00	1.53	1.50	-0.03	0.27	0.27	0.00
249	Other Machinery and Equipment mfg								
	0.10	0.10	0.00	1.39	1.36	-0.03	0.24	0.24	0.00
25	Furniture and Other mfg								
	..	..	..	3.12	3.03	-0.09	0.52	0.51	-0.01

.. not applicable

(a) Index reference period: 2011–12 = 100.0.

(b) Nursery and floriculture production; mushroom and vegetable growing; fruit and tree nut growing; other crop growing; poultry farming; deer farming; and other livestock farming.

Note: Index points will not sum to the total, due to incomplete coverage of the economy.

STAGE OF PRODUCTION(a): Contribution to Intermediate demand index by industry
and source – index points *continued*

Selected ANZSIC 2006 Codes		DOMESTIC			IMPORTS			TOTAL		
		Mar Qtr	Jun Qtr	Change	Mar Qtr	Jun Qtr	Change	Mar Qtr	Jun Qtr	Change
		2014	2014		2014	2014		2014		
26-28	Electricity Supply; Gas Supply; and Water Supply, Sewerage and Drainage Services	3.80	3.78	-0.02	..	..	..	3.39	3.37	-0.02
440	Accommodation	0.25	0.23	-0.02	..	..	..	0.34	0.33	-0.01
451	Cafes, Restaurants and Takeaway Food Services	0.63	0.63	0.00	..	..	..	0.58	0.59	0.01
461	Road Freight Transport	2.33	2.33	0.00	..	..	..	2.08	2.08	0.00
471	Rail Freight Transport	0.11	0.11	0.00	..	..	..	0.09	0.10	0.01
481	Water Freight Transport	0.04	0.03	-0.01	..	..	..	0.03	0.03	0.00
530	Warehousing and Storage Services	1.25	1.25	0.00	..	..	..	1.11	1.11	0.00
541	Newspaper, Periodical, Book and Directory Publishing	0.88	0.89	0.01	..	..	..	0.86	0.86	0.00
592	Data Processing, Web Hosting and Electronic Information Storage Services	0.16	0.16	0.00	..	..	..	0.14	0.14	0.00
66	Rental and Hiring Services (except Real Estate)	1.75	1.76	0.01	..	..	..	1.72	1.73	0.01
672	Real Estate Services	0.75	0.76	0.01	..	..	..	0.67	0.68	0.01
692	Architectural, Engineering and Technical Services	3.38	3.38	0.00	..	..	..	3.07	3.07	0.00
693	Legal and Accounting Services	3.33	3.33	0.00	..	..	..	3.01	3.01	0.00
695	Market Research and Statistical Services	0.17	0.17	0.00	..	..	..	0.15	0.15	0.00
697	Veterinary Services	0.06	0.06	0.00	..	..	..	0.06	0.06	0.00
700	Computer System Design and Related Services	1.82	1.82	0.00	..	..	..	1.66	1.66	0.00
721	Employment Services	2.85	2.85	0.00	..	..	..	2.54	2.54	0.00
729	Other Administrative Services	1.37	1.39	0.02	..	..	..	1.28	1.30	0.02
	Total	104.2	104.1	-0.1	109.2	106.3	-2.9	104.8	104.3	-0.5

.. not applicable

(a) Index reference period: 2011-12 = 100.0.

Note: Index points will not sum to the total, due to incomplete coverage of the economy.

STAGE OF PRODUCTION(a): Contribution to Preliminary demand index by industry and source – index points

Selected ANZSIC 2006 Codes	DOMESTIC			IMPORTS			TOTAL			
	Mar Qtr	Jun Qtr	Change	Mar Qtr	Jun Qtr	Change	Mar Qtr	Jun Qtr	Change	
	2014	2014		2014	2014					
014, 016	Sheep, Beef Cattle and Grain Farming; and Dairy Cattle Farming	1.92	2.01	0.09	..	..	..	1.70	1.77	0.07
011–013, 015, 017–019	Other Agriculture(b)	1.24	1.21	-0.03	..	..	..	1.16	1.13	-0.03
030	Forestry and Logging	0.45	0.45	0.00	..	..	..	0.40	0.40	0.00
060	Coal Mining	1.27	1.14	-0.13	..	..	..	1.12	1.01	-0.11
070	Oil and Gas Extraction	1.50	1.49	-0.01	17.79	16.73	-1.06	3.45	3.31	-0.14
080	Metal Ore Mining	2.04	1.89	-0.15	5.14	4.92	-0.22	2.41	2.25	-0.16
099	Other Non–Metallic Mineral Mining and Quarrying	0.09	0.09	0.00	0.45	0.44	-0.01	0.13	0.13	0.00
111	Meat and Meat Product mfg	0.64	0.65	0.01	..	..	..	0.59	0.59	0.00
112	Seafood Processing	0.03	0.03	0.00	0.29	0.29	0.00	0.06	0.06	0.00
113	Dairy Product mfg	0.39	0.40	0.01	0.42	0.44	0.02	0.40	0.41	0.01
114–115	Fruit and Vegetable Processing; Oil and Fat mfg	0.20	0.20	0.00	0.62	0.59	-0.03	0.25	0.25	0.00
116	Grain Mill and Cereal Product mfg	0.16	0.14	-0.02	..	..	..	0.16	0.15	-0.01
117	Bakery Product mfg	0.10	0.10	0.00	..	..	..	0.10	0.10	0.00
118	Sugar and Confectionery mfg	0.31	0.30	-0.01	0.22	0.21	-0.01	0.30	0.29	-0.01
119	Other Food Product mfg	0.33	0.33	0.00	0.48	0.48	0.00	0.34	0.35	0.01
121	Beverage mfg	0.27	0.27	0.00	0.27	0.26	-0.01	0.27	0.27	0.00
13	Textile, Leather, Clothing and Footwear mfg	0.34	0.34	0.00	4.95	4.76	-0.19	0.89	0.87	-0.02
141	Log Sawmilling and Timber Dressing	0.40	0.42	0.02	0.70	0.71	0.01	0.44	0.45	0.01
149	Other Wood Product mfg	0.70	0.70	0.00	0.61	0.57	-0.04	0.69	0.69	0.00
151	Pulp, Paper and Paperboard mfg	0.20	0.19	-0.01	2.65	2.57	-0.08	0.49	0.47	-0.02
152	Converted Paper Product mfg	0.50	0.50	0.00	..	..	..	0.48	0.48	0.00
161	Printing and Printing Support Services	0.68	0.71	0.03	..	..	..	0.60	0.63	0.03
1701	Petroleum Refining and Petroleum Fuel mfg	1.77	1.51	-0.26	6.41	6.22	-0.19	2.32	2.08	-0.24
182	Basic Polymer mfg	0.65	0.65	0.00	2.73	2.69	-0.04	0.90	0.90	0.00
184	Pharmaceutical and Medicinal Product mfg	0.06	0.06	0.00	1.79	1.74	-0.05	0.27	0.27	0.00
185	Cleaning Compound and Toiletry Preparation mfg	0.11	0.11	0.00	0.32	0.34	0.02	0.14	0.14	0.00
189	Other Basic Chemical Product mfg	0.43	0.45	0.02	1.22	1.22	0.00	0.53	0.54	0.01
191	Polymer Product mfg	1.40	1.41	0.01	4.69	4.54	-0.15	1.79	1.79	0.00
192	Natural Rubber Product mfg	0.05	0.05	0.00	0.42	0.39	-0.03	0.09	0.09	0.00
20	Non–Metallic Mineral Product mfg	1.52	1.51	-0.01	1.71	1.65	-0.06	1.54	1.53	-0.01
212	Basic Ferrous Metal Product mfg	0.51	0.52	0.01	1.92	1.79	-0.13	0.68	0.67	-0.01
213	Basic Non–Ferrous Metal mfg	0.84	0.83	-0.01	0.43	0.40	-0.03	0.79	0.78	-0.01
214	Basic Non–Ferrous Metal Product mfg	0.36	0.35	-0.01	1.49	1.47	-0.02	0.49	0.48	-0.01
222	Structural Metal Product mfg	1.33	1.34	0.01	0.37	0.38	0.01	1.22	1.23	0.01
223	Metal Container mfg	0.10	0.10	0.00	..	..	..	0.10	0.10	0.00
229	Other Fabricated Metal Product mfg	0.60	0.60	0.00	1.80	1.75	-0.05	0.74	0.74	0.00
231	Motor Vehicle and Motor Vehicle Part mfg	0.81	0.82	0.01	4.67	4.67	0.00	1.27	1.28	0.01
239	Other Transport Equipment mfg	0.45	0.45	0.00	0.50	0.47	-0.03	0.46	0.45	-0.01
241	Professional and Scientific Equipment mfg	0.08	0.08	0.00	1.91	1.88	-0.03	0.30	0.29	-0.01
242	Computer and Electronic Equipment mfg	0.25	0.25	0.00	4.15	3.97	-0.18	0.71	0.69	-0.02
243	Electrical Equipment mfg	0.28	0.27	-0.01	3.17	3.10	-0.07	0.62	0.61	-0.01
244	Domestic Appliance mfg	0.01	0.01	0.00	0.21	0.20	-0.01	0.04	0.04	0.00
245	Pump, Compressor, Heating and Ventilation Equipment mfg	0.07	0.07	0.00	0.56	0.52	-0.04	0.12	0.12	0.00
246	Specialised Machinery and Equipment mfg	0.13	0.14	0.01	1.76	1.73	-0.03	0.33	0.33	0.00
249	Other Machinery and Equipment mfg	0.12	0.12	0.00	1.42	1.39	-0.03	0.27	0.27	0.00

.. not applicable

(a) Index reference period: 2011–12 = 100.0.

(b) Nursery and floriculture production; mushroom and vegetable growing; fruit and tree nut growing; other crop growing; poultry farming; deer farming; and other livestock farming.

Note: Index points will not sum to the total, due to incomplete coverage of the economy.

STAGE OF PRODUCTION(a): Contribution to Preliminary demand index by industry and source – index points *continued*

Selected ANZSIC 2006 Codes		DOMESTIC			IMPORTS			TOTAL		
		Mar Qtr	Jun Qtr	Change	Mar Qtr	Jun Qtr	Change	Mar Qtr	Jun Qtr	Change
		2014	2014		2014	2014		2014		
26-28	Electricity Supply; Gas Supply; and Water Supply, Sewerage and Drainage Services	4.49	4.47	-0.02	..	..	..	3.96	3.94	-0.02
440	Accommodation	0.24	0.23	-0.01	..	..	..	0.34	0.33	-0.01
451	Cafes, Restaurants and Takeaway Food Services	0.85	0.86	0.01	..	..	..	0.79	0.79	0.00
461	Road Freight Transport	2.91	2.90	-0.01	..	..	..	2.56	2.56	0.00
471	Rail Freight Transport	0.25	0.26	0.01	..	..	..	0.22	0.23	0.01
481	Water Freight Transport	0.06	0.06	0.00	..	..	..	0.05	0.05	0.00
530	Warehousing and Storage Services	1.17	1.18	0.01	..	..	..	1.03	1.04	0.01
541	Newspaper, Periodical, Book and Directory Publishing	0.74	0.74	0.00	..	..	..	0.68	0.68	0.00
592	Data Processing, Web Hosting and Electronic Information Storage Services	0.18	0.18	0.00	..	..	..	0.16	0.16	0.00
66	Rental and Hiring Services (except Real Estate)	2.10	2.12	0.02	..	..	..	2.10	2.10	0.00
672	Real Estate Services	0.77	0.77	0.00	..	..	..	0.67	0.68	0.01
692	Architectural, Engineering and Technical Services	4.04	4.04	0.00	..	..	..	3.63	3.62	-0.01
693	Legal and Accounting Services	2.55	2.56	0.01	..	..	..	2.28	2.29	0.01
695	Market Research and Statistical Services	0.21	0.21	0.00	..	..	..	0.18	0.18	0.00
697	Veterinary Services	0.07	0.07	0.00	..	..	..	0.06	0.06	0.00
700	Computer System Design and Related Services	1.63	1.63	0.00	..	..	..	1.48	1.48	0.00
721	Employment Services	2.56	2.56	0.00	..	..	..	2.26	2.26	0.00
729	Other Administrative Services	1.94	1.97	0.03	..	..	..	1.79	1.82	0.03
	Total	104.3	103.8	-0.5	109.1	105.9	-3.2	104.9	104.1	-0.8

.. not applicable

(a) Index reference period: 2011-12 = 100.0.

Note: Index points will not sum to the total, due to incomplete coverage of the economy.

EXPLANATORY NOTES

INTRODUCTION

1 This publication and associated time series spreadsheets and data cubes available on the ABS website <<http://www.abs.gov.au>>, contain a range of producer price indexes. Economy-wide indexes are presented within a Stage of Production (SOP) framework in this publication. Additional indexes relating to all products (goods or services) that are used or produced by establishments classified to specific industries (selected Mining, Manufacturing, Construction and Services industries) are available on the ABS website <<http://www.abs.gov.au>>.

2 The complete suite of producer price indexes are calculated on an index reference period of 2011–12 = 100.0. Prior to the September quarter 2012, indexes were referenced to one of three different index reference periods (1989–90 = 100.0, 1998–99 = 100.0, 2001–02 = 100.0) making it difficult for users to compare index series. Re-referencing all indexes to the same period was implemented in the September quarter 2012. This simplifies comparison of price movements between indexes. As a result of this change, period-to-period percentage changes may differ slightly to those previously published due to rounding. These differences do not constitute a revision.

DEVELOPMENTS

3 Recommendations arising from the 2011 Review of the producer and international trade price indexes were implemented in the September quarter 2012. The outcomes of this review are recorded in the *Information Paper: Outcome of the Review of the Producer and International Trade Price Indexes, 2012* (cat. no. 6427.0.55.004). Major changes are summarised below:

- The index structures have been updated to represent industries rather than products primary to industries. This aligns with the principal purpose of the producer price indexes, which is to measure inflation by industry to support the compilation of the Australian National Accounts and Balance of Payments.
- The SOP indexes are presented using the *Australian and New Zealand Standard Industrial Classification, 2006 edition* (ANZSIC 2006). This brings them in line with the industry specific indexes.
- The suite of producer price indexes have been re-weighted using data derived from the *Australian National Accounts: Input–Output Tables – Electronic Publication, 2007–08 Final* (cat. no. 5209.0.55.001).
- All index numbers are calculated on the index reference period 2011–12 = 100.0.

GENERAL

Industry versus product

4 From the September quarter 2012 producer price indexes relate to all products that are used or produced by establishments classified, according to ANZSIC 2006, to a specific industry, including secondary production. Prior to the September quarter 2012, producer price indexes related to products primary to a specific industry. Primary products are defined as products which are strictly classified to a particular industry, as defined by the Australian and New Zealand Standard Industrial Classification, 2006 edition (ANZSIC 2006). The production of products outside these strict industry classifications are considered as secondary production.

Gross versus net

5 Producer price indexes are compiled on a gross industry basis. This means that the scope of the indexes includes all transactions occurring within an industry and between that industry and other industries. This approach aligns with the principal purpose of the producer price indexes, which is to support the compilation of the Australian National Accounts and Balance of Payments.

Output and input

6 Producer price indexes are constructed as either output or input measures. The output producer price indexes relate to products produced by establishments classified to a specific industry. The input producer price indexes relate to products used by establishments classified to specific industries.

EXPLANATORY NOTES *continued*

Valuation basis

7 The valuation basis for the transactions covered by an output index is basic prices, defined as the amount received by the producer exclusive of any taxes on products and transport and trade margins (i.e. the pricing point is ex-factory, ex-farm, ex-service provider, etc.).

8 The valuation basis for the transactions covered by an input index is purchasers' prices, defined as the amount paid by the purchaser inclusive of any non-deductible taxes on products and transport and trade margins (i.e. the prices recorded in the index should be those relating to products 'delivered into store', 'delivered on site', etc.).

9 In reality, industry practice may mean that it is sometimes necessary to diverge from the conceptually ideal price in order to obtain actual transaction prices. For example, although the conceptually ideal price for the Output of the Manufacturing industries price indexes is ex-factory, in cases where costs such as handling and distribution are built into the manufacturer's selling price, they will be included in the index.

10 Similarly, for input indexes such as the Input to the House construction industry price index, which has a conceptually ideal price of delivered on site, it has sometimes been necessary to use the nearest actual transaction price available, e.g. prices of products supplied and fixed.

11 The Goods and Services Tax (GST) is excluded from all the prices recorded in the producer price indexes. The GST is a deductible business-to-business transaction. In the case of Services industries output indexes relating to business-to-household transactions, the GST is also excluded as the price indexes are valued in basic prices (i.e. exclusive of product taxes).

Products and weights

12 The indexes are base weighted Lowe indexes i.e. proportional weights for each of the components are fixed in some specified earlier period. The list of products and the weights are updated periodically to ensure they remain representative of the activities of providers in the Australian economy. Index series compiled using updated weights are linked to earlier series to maintain a continuous series. Upper level weights are derived from the *Australian National Accounts: Input-Output Tables – Electronic Publication, 2007–08 Final* (cat. no. 5209.0.55.001) as well as other ABS and industry sources.

Price measurement

13 The main sources of ongoing price data are samples of business establishments. These can be buyers or sellers, dependent on whether the price is contributing to an input or an output price index. Practical considerations such as the relative degree of concentration of buyers, and of sellers, and the implications for sample size and cost will be taken into account when determining samples.

14 The main pricing methodology is specification pricing, under which a manageable sample of precisely specified products is selected, in consultation with each reporting establishment, for repeat pricing. In specifying the products, care is taken to ensure that they are fully defined in terms of all the characteristics which influence their transaction prices. As such, all the relevant technical characteristics need to be described (e.g. make, model, and features) along with the unit of sale, type of packaging, conditions of sale (e.g. delivered, payment within 30 days), etc.

15 When the quality or the specifications of a product being priced change over time, adjustments are made to the reported prices so that the index captures only pure price change. That is, any element of price change attributable to a change in quality is accounted for and removed wherever possible. If there is an increase (decrease) in the quality of a product, the price is adjusted downwards (upwards) to reflect the value of the quality change to the provider of the product. This technique is known as pricing to constant quality.

EXPLANATORY NOTES *continued*

Price measurement continued

16 Another important consideration in establishing and maintaining price collections is to ensure that the prices reported are actual market transaction prices. That is, they must reflect the actual prices received (or paid) after taking into account all discounts applied to the transactions whether they be volume discounts, settlement discounts or competitive price cutting discounts which are likely to fluctuate with market conditions.

17 Any rebates also need to be considered. The collection of nominal list prices, or book prices, is unlikely to yield reliable price indexes and could result in quite misleading results if fluctuations in transaction prices are not captured. The ABS therefore asks provider business establishments to report details of the discounts they offer so that actual transaction prices can be calculated.

18 Specification pricing is not feasible in cases where the products are unique and not reproduced over time, e.g. the output of the Construction industries indexes and many customised business services. As a result, alternative pricing techniques need to be used, which sometimes require a compromise. Some of the approaches adopted include the use of model pricing, collecting unit values for reasonably homogeneous components of a product, input pricing and collecting charge-out rates (e.g. for a legal service).

19 Where prices of products are expected to move in a similar way, many of the directly priced products are taken to be representative of similarly classified products which are not directly priced. The main advantages of this are more effective use of ABS resources and a reduced burden on business establishments to provide the ABS with price information.

Classifications

20 From the September quarter 2012, all producer price indexes have been constructed in accordance with the *Australian and New Zealand Standard Industrial Classification (ANZSIC), 2006 edition* (cat. no. 1292.0). Prior to the September quarter 2012, the SOP series (Tables 1–10) were on an ANZSIC 1993 basis, while the other producer price indexes relating to products primary to specific industries were based on ANZSIC 2006 from the September quarter 2009 onwards. Further information on the latest industrial classification can be found in the *Information Paper: Update on ANZSIC 2006 Implementation for Producer and International Trade Price Indexes, Australia, 2009* (cat. no. 6427.0.55.002).

STAGE OF PRODUCTION PRODUCER PRICE INDEXES

Introduction

21 Tables 1–10 present producer price indexes for the supply of products to the Australian economy in the SOP framework. The indexes cover both domestically produced and imported products, individually and aggregated. The SOP indexes are compiled from data used in the industry classification indexes, the international trade indexes and some additional data collections. The indexes are calculated on the index reference period 2011–12 = 100.0.

22 A detailed technical explanation of the SOP concept is contained in the *Information Paper: Producer Price Index Developments, 1999* (cat. no. 6422.0). It should be noted that the experimental index numbers shown in that information paper are not comparable with currently published figures which are more up to date in terms of their coverage, reference period weights and index reference period.

23 SOP indexes are useful for analysing inflation in the Australian economy or, more specifically, for studying how price change for inputs used to produce final products is passed through to the price of those final products. Final products are those that are ready to be sold for immediate consumption, capital formation or export.

Pricing basis

24 In concept the valuation of transactions in the SOP indexes is basic prices (see paragraphs 7–11). However, the use of component series from existing ABS price collections in some cases results in the valuation diverging from this ideal.

EXPLANATORY NOTES *continued*

THE STAGE OF PRODUCTION

CONCEPT

Overview

25 Under the SOP concept flows of products are categorised according to their economic destination on a sequential basis along the production chain. The basis for the categorisation is the *Australian National Accounts: Input–Output Tables – Electronic Publication, 2007–08 Final* (cat. no. 5209.0.55.001). In simple terms, transactions (flows of products) are placed in one of three stages, namely:

- Preliminary demand – Products consumed as inputs into the production of Intermediate demand.
- Intermediate demand – Products consumed as inputs into the production of Final demand.
- Final demand – Products consumed as Final demand, with no further processing.

26 Within this framework, the flows can broadly be regarded as preliminary demand products feeding into the production of intermediate demand products which in turn feed into the production of final demand products.



27 SOP indexes are constructed on a gross industry basis in line with the concept supported by the principal purpose of the producer price indexes. SOP indexes minimise the multiple counting issues inherent in gross industry indexes by segmenting the economy into stages and measuring the price changes of transactions undertaken with the next stage of production. The stages cannot be aggregated, however a summary headline measure of general inflation is provided for each stage.

28 It should be noted that the indexes for each of the stages are all representative of a single (simultaneous) point in time which allows for analyses of price change within the stages as products flow through. This is useful since price changes for earlier stages of production may be indicators of future price changes for the later stages of production.

Transaction flow approach

29 It is important to note that the compilation of the ABS producer price indexes within the SOP framework is not structured around the products that are transacted. Internationally, some statistical agencies who make use of the SOP concept will allocate each product to a particular stage. The ABS makes no attempt to place individual products into a single stage of production as this would be very challenging due to a number of factors. For example, products such as wheat, wool and iron ore are exported in large volumes as well as being further processed within the domestic market. There are obviously many conflicting arguments for the allocation of such products to a single stage within the SOP framework.

30 The ABS has adopted a transaction flow approach for partitioning the flow of individual products into the different production stages. Under this approach the stage of production in which a transaction is placed is determined by where the product is consumed. For example, exported wheat and domestically used wheat are treated as different products for index construction purposes. Exported wheat is treated as a Final demand product while wheat to be processed domestically to make flour is considered to be a Preliminary demand product. Similarly, a product such as energy can appear within all three stages.

EXPLANATORY NOTES *continued*

Scope and coverage

31 As the main focus is on domestic inflation, exports are excluded from the headline SOP series 'Final demand', as presented in the key figures on the front page and in Tables 1–6 of this publication. Index series for Final demand *including* exports are available in Table 10 of this publication.

32 Import transactions are included within the framework, recognising that they represent an important potential source of inflationary pressure.

33 In concept, the SOP indexes are intended to incorporate all flows of products within the economy. However, while goods are reasonably well represented, there are shortfalls in the coverage of many Services industries, including the major 'margin' services of retail and wholesale. This is a direct consequence of the limited coverage of the Services industries in the producer price indexes.

34 The increase in the importance of the Services industries to the Australian economy and the inherent difficulty in measuring price changes for many of these services have contributed to this shortfall in coverage. The expansion of Services industries price indexes coverage is a key objective for the ABS and consultation with users has helped to determine the priorities for the ABS Services Producer Price Indexes Development program which aims to progressively improve the coverage in these areas.

Products and weights

35 The products included in the stages, for both domestic supply and imports are given proportional weights that reflect the values of product flows. The weights are derived from the *Australian National Accounts: Input–Output Tables – Electronic Publication, 2007–08 Final* (cat. no. 5209.0.55.001).

Comparisons with the Consumer Price Index

36 Final demand indexes are presented as a representation of the changes in price for consumed products however, users should be aware that these indexes are not directly comparable with the Consumer price index (CPI). The two indexes differ significantly in concept and coverage with the main differences as follows:

- the pricing basis for the SOP Final demand index is basic prices (see paragraphs 7–11) whereas the CPI measures changes in purchasers' prices, i.e. the actual retail prices paid by households for products, inclusive of non-deductible taxes on products, such as the GST, and any transport and trade margins;
- in terms of coverage the SOP Final demand index predominantly measures changes in the prices of goods, i.e. many services are currently excluded from the index (see paragraph 33), whereas the CPI covers a more complete range of goods and services; and
- the weighting pattern for the SOP Final demand index is derived from information taken from the *Australian National Accounts: Input–Output Tables – Electronic Publication, 2007–08 Final* (cat. no. 5209.0.55.001), whereas the CPI weighting pattern is derived from information taken from the *Household Expenditure Survey, Australia: Summary of Results, 2009–10* (cat. no. 6530.0).

MANUFACTURING INDUSTRIES PRODUCER PRICE INDEXES *Introduction*

37 The Output of the Manufacturing industries producer price indexes relate to all products that are produced by establishments classified to a specific industry, whereas the Input to the Manufacturing industries price indexes relate to all products used by establishments classified to a specific industry. They are important sources of data for the SOP indexes.

38 The Manufacturing industries indexes are available on the ABS website <<http://www.abs.gov.au>>. Table 12 presents individual price indexes of Output of the Manufacturing industries as well as quarter–on–quarter and year–on–year percentage changes for the Output of the Manufacturing industries price indexes. Table 13 presents the Input to the Manufacturing industries price indexes as well as quarter–on–quarter and year–on–year percentage changes for the Input to the Manufacturing industries price indexes. Basic prices are used for output indexes and purchasers' prices for input

EXPLANATORY NOTES *continued*

Introduction continued

indexes (see paragraphs 7–11). Therefore, as far as possible, ex–factory prices are included in the output indexes. Delivered into factory prices are included in the input indexes.

Scope

39 Prior to the September quarter 2009, the Manufacturing industries indexes were constructed on a net sector basis with intra–sector transactions netted out. From the September quarter 2009, the Manufacturing industries indexes are constructed on a gross industry basis. The net and gross industry methods are more easily explained by way of an example. The transactions captured for a motor vehicle manufacturing GROSS industry index would include both the sales of the parts (including sales of parts to other business establishments in the same industry) and the sales of the finished cars – even though the price change of the parts would be included in the price change of the cars. On the other hand, a motor vehicle manufacturing NET industry index would measure only the price change of motor vehicles sold to other industries of the economy and would exclude the price change of the parts (sold to business establishments in the same industry) as a separate product.

Classification

40 From the September quarter 2009 onwards the Output of the Manufacturing industries indexes (Table 12) measure changes in the prices of products that are classified to ANZSIC 2006 Manufacturing industries that are sold or transferred to domestic establishments within or outside the Manufacturing industries for further processing, intermediate use or used as capital equipment or exported.

41 Similarly, the Output of the Manufacturing industries indexes for products classified to ANZSIC 2006 subdivisions and groups (Table 12) measure transactions within and outside the subdivision or group. Prior to the September quarter 2009 these series were constructed on a net sector basis. They excluded intermediate transactions in products classified to the ANZSIC 2006 subdivision that were sold or transferred within that subdivision or group for further processing.

42 From the September quarter 2009 onwards the Input to the Manufacturing industries indexes (Table 13) measure changes in the prices of products used in ANZSIC 2006 Manufacturing industries that have been purchased or transferred in from domestic establishments within or outside the Manufacturing industries, or imported. Similarly, the Input to the Manufacturing industries indexes for subdivisions (Table 14) measure input purchases or transfers within and outside the subdivision.

Products and weights

43 The index structures and weighting patterns for the Manufacturing industries input and output ANZSIC 2006 division indexes are presented in the *Information Paper: Producer Price Indexes Weighting Patterns, 2012* (cat. no. 6427.0.55.006). Index structures and weighting patterns for the associated ANZSIC 2006 subdivisions and groups are available from the ABS website <<http://www.abs.gov.au>> as data cubes in that information paper.

CONSTRUCTION INDUSTRIES PRODUCER PRICE INDEXES

Introduction

44 The Output of the Construction industries producer price indexes relate to outputs classified to ANZSIC 2006 Construction industries. The Input to the House construction industry index relates to products used by establishments classified to ANZSIC 2006 Class 3011 – House construction. The Output of the Construction indexes are important sources of data for SOP Final demand.

45 The Output of the Construction industries indexes is available on the ABS website <<http://www.abs.gov.au>>. Table 17 presents price indexes of the outputs from establishments classified to the Building construction subdivision and selected Construction industries classes. Table 18 presents the Input to the House construction industry price indexes as well as quarter–on–quarter and year–on–year percentage changes for each of the indexes. The valuation basis is basic prices for the output indexes and purchasers' prices for the input indexes (see paragraphs 7–11). Therefore, as far as

EXPLANATORY NOTES *continued*

Introduction continued

possible, builders' selling prices are reflected in the output indexes, and delivered on site prices are reflected in the input indexes.

Scope

46 The Output of the Construction industries price indexes (Table 17) measure changes in prices of the outputs from selected Construction industries. Presented in this table are the ANZSIC 2006 Subdivision 30 – Building construction industries, which consists of three classes: Class 3011 – House construction, Class 3019 – Other residential building construction and Class 3020 – Non-residential building construction. Outputs from the Class 3101 – Road and bridge construction are also presented in this table.

47 The Input to the House construction industry price indexes (Table 18) measure changes in prices of products used in house construction, where a house is defined as a detached building predominantly used for long-term residential purposes and consisting of only one dwelling unit. The scope of the index approximates the ANZSIC 2006 Class 3011 – House construction.

48 The Input to the House construction index does not explicitly cover alterations, additions, renovations and repairs. It relates to the greater capital city statistical area for each state capital city.

Products and weights

49 ANZSIC 2006 class output indexes at the national level are aggregated to the relevant group and subdivision using weights derived primarily from values of the supply of new general construction products in Australia using the *Australian National Accounts: Input–Output Tables – Electronic Publication, 2007–08 Final* (cat. no. 5209.0.55.001). ANZSIC 2006 class indexes at the State and Territory level are aggregated to the national level using proportions based on the value of work done by State and Territory and by type of construction as measured by the *Building Activity, Australia* (cat. no. 8752.0) for the 2010 and 2011 calendar years. The indexes generally use prices for work undertaken in each capital city, as construction activity in the city is taken to represent the whole State or Territory. For Queensland, however, other residential building construction and non-residential building construction also use prices obtained for North Queensland.

50 The products and weights for the price index of Input to the House construction industry were derived from reported quantities of each product used in selected representative houses in the three years ending 2002–03. The weighting pattern for each capital city index will reflect variations in prices for the cities as applied to an Australian average basket of house building materials, with some allowance for city specific building practices e.g. the differential use of steel and timber materials in Perth and Adelaide compared with the other capital cities. The weighting patterns for the price index of Input into the House construction industry are set out in Appendix 2 of the September quarter 2005 issue of this publication. Note that the weights shown are values based on the quantities of various materials used in house building over the three years ended 2002–03, valued at the September quarter 2005 prices.

MINING INDUSTRY PRODUCER PRICE INDEXES

51 The Input to the Coal Mining industry index is available on the ABS website <<http://www.abs.gov.au>>. Table 11 presents the Input to the Coal mining industry price index. The valuation basis of this index is at purchasers' prices (see paragraphs 7–11) and, as far as possible, the prices included in the index are for products delivered to the mine site or to the primary storage area for a group of mines.

52 The products included in the indexes are reflective of all inputs into ANZSIC subdivision 06 – coal mining. The weights and products have been derived from the *Australian National Accounts: Input–Output Tables – Electronic Publication, 2007–08 Final* (cat. no. 5209.0.55.001).

EXPLANATORY NOTES *continued*

RETAIL TRADE INDUSTRY PRODUCER PRICE INDEXES

Introduction

53 The Output of the Retail Trade Industry Index (RTPI) is a measure of the price of the retail distribution service and is compiled from retail margins data for product groups classified to ANZSIC06 Division G Retail Trade. The Output of the Retail Trade Industry (RTPI) index is available on the ABS website <<http://www.abs.gov.au>>. First results were published in November 2013, by way of experimental indexes, in the September 2013 issue of this publication (cat. no. 6427.0).

54 The output of the retail trade industry cannot be compiled with the same timeliness as other PPI. The basic data required for the construction of the PPI for the output of the retail trade industry are quarterly sales and cost of goods sold (COGS). These economic flow data cannot be collected until some time after the end of the reference quarter. By comparison, price indexes for goods and some services are based on point in time prices prevailing at selected dates during the quarter. Further, calculation of the RTPI requires the latest period CPI data to be available for price updating purposes. The measurement of retail margin prices is done at the outlet level. In the case of multi-location businesses, the ABS collects data for selected outlets in each state and territory in which the business operates. When a change is identified at an outlet, results for that outlet are adjusted to accommodate for the change in quality.

Scope

55 Retail trade margins data are collected by the ABS for those Supply and Use Product Classifications (SUPC) with the highest contribution to total retail trade margins, and where data collection is feasible. A sample of businesses is selected from those classified to ANZSIC06 Division G Retail Trade. The Retail Trade Margins Survey (RTMS) collects retail trade sales and Cost of Goods Sold (COGS) data from, primarily, large retail businesses. A partial coverage collection approach is used where large businesses represent the retail trade margins of all sizes of retail business. Medium sized businesses are included only where industry concentration is not sufficient to exclude them and/or when the retail trade margins of large businesses are not sufficiently representative of those of medium sized businesses. The RTMS excludes small businesses, except where they are a part of a franchise operation. Price indexes are provided in Tables 31, 32, and 33.

Products and weights

56 The RTPI is compiled from retail margins data for selected product groups, classified to ANZSIC06 Division G Retail Trade with weights updated and indexes chained annually.

57 Indexes are created at the state/territory level classified to the Supply and Use Product Classification. The outlet weight for an SUPC product group is calculated by multiplying the outlet's contribution to the business' sample by the business' contribution to the state or territory for that SUPC product group. Aggregating these indexes gives the Experimental Producer Price Index for the Output of the Retail Trade Industry, Australia. Aggregation of these indexes by state/territory to gives the Experimental Producer Price Index for the Output of the Retail Trade Industry, State/Territory, indexes. And aggregation of these indexes by selected SUPC product groups gives the Experimental Producer Price Index for the Output of the Retail Trade Industry, Selected Product Groups, indexes.

58 The weights used in the aggregation stages are unpublished national SUPC retail trade margin shares, obtained from the National Accounts Supply and Use (S-U) tables annually.

SERVICES INDUSTRIES PRODUCER PRICE INDEXES

Introduction

59 The Output of Services industries indexes are available on the ABS website <<http://www.abs.gov.au>>. Tables 20–27 present index numbers for selected Services industries classified to the following ANZSIC 2006 divisions: Accommodation and food Services industries, Transport, postal and warehousing industries, Information media and telecommunications industries, Rental, hiring and real estate Services industries,

EXPLANATORY NOTES *continued*

Introduction continued

Professional, scientific and technical services industries, Administrative and support services industries, Public administration and safety industries and Other services industries. The valuation basis for each index is basic prices (see paragraphs 7–11). Prices used in the indexes relate to the amount received by the service provider.

60 The currently available Services industries indexes represent the results to date of a program to progressively extend the scope of the producer price indexes into the Services industries of the Australian economy. First results from the program were published in March 1999, by way of experimental indexes, in the *Information Paper: Producer Price Index Developments, 1999* (cat. no. 6422.0). Similarly, changes to the indexes published from the September quarter 2009 on the ANZSIC 2006 basis have been documented in the *Information Paper: Update on ANZSIC 2006 Implementation for Producer and International Trade Price Indexes, Australia, 2009* (cat. no. 6427.0.55.002). Expanded coverage and improved indexes will be progressively implemented through the Services Producer Price Indexes Development program.

Scope

61 The Output of the Services industries price indexes measure changes in prices of Services classified to selected ANZSIC 2006 industries. Output price indexes for these industries are provided in Tables 20–27. Note that some ANZSIC 2006 industries do not yet have established indexes, and thus are not represented within these tables.

Products and weights

62 From the September quarter 2012, ANZSIC 2006 class indexes are aggregated to the relevant group, subdivision and division using weights derived from the *Australian National Accounts: Input–Output Tables – Electronic Publication, 2007–08 Final* (cat. no. 5209.0.55.001), in combination with data from other ABS surveys and industry sources. Prior to this, weights for these indexes were derived from the *Australian National Accounts: Input–Output Tables – Electronic Publication, 2001–02* (cat. no. 5209.0.55.001).

Price measurement

63 The development of the Services industries price collections has involved a wide range of diverse industries with different measurement challenges. Accordingly, extensive consultation with industry associations and individual business establishments has been undertaken to determine the most viable approach, on a case–by–case basis.

64 Characteristics found within the Services industries of the Australian economy have complicated the task of price measurement.

65 The tendency within many industries to provide unique, one–off services tailored to the needs of individual customers has posed difficulties in establishing continuity of pricing to constant quality.

66 The 'bundling' of a range of different component services within one transaction or contract has required investigation of the feasibility of 'unbundling', that is, obtaining separate prices for each component of the total service. Where this has not proven to be feasible, the whole service bundle has been priced.

67 Provider business establishments are asked to report details of any discounts they offer so that actual transaction prices can be calculated. However, as discounts are sometimes negotiated between individual buyers and sellers in relation to particular transactions, identifying discounts has not always been straightforward.

68 The deregulation of some Services industries leads to structural changes and more complex pricing practices. To deal with this, samples are continually updated to incorporate new businesses and pricing methodologies are reviewed over time.

EXPLANATORY NOTES *continued*

Developments

69 It is planned to make available indexes for the majority of remaining ANZSIC 2006 classes within the Services industries after they have been developed from experimental to production status. At such time these new indexes would contribute to the broader SOP indexes in this publication and associated outputs available on the ABS website <<http://www.abs.gov.au>>.

INDEX NUMBERS

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

71 Indexes for the price index of Input to the House construction industry are presented separately for each of the six state capital cities. These city indexes measure price movements over time for each city. They do not measure differences in price levels between cities.

ANALYSIS OF INDEX NUMBERS

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

73 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:

SOP: Final demand index numbers

June quarter 2014 103.8 (see Table 1)

less June quarter 2013 101.5 (see Table 1)

Change in index points 2.3

Percentage change $2.3/101.5 \times 100 = 2.3\%$ (see Table 2)

74 Tables 5, 6 and 7 provide analyses of the index points contribution which ANZSIC groups make to the SOP Final demand indexes, in total, and then separately for domestic and imported commodities. For example, in Table 5 petroleum refining and petroleum fuel manufacturing contributed 0.91 index points to the Final demand index number of 103.8 for the June quarter 2014 and -0.02 index points to the net change of -0.1 index points between the March 2014 and June 2014 quarters.

75 Tables 8 and 9 analyse the contributions to the Intermediate demand and Preliminary demand index numbers, respectively.

EXPLANATORY NOTES *continued*

ANALYSIS OF INDEX
NUMBERS *continued*

76 Further information on price index developments in the ABS is presented in the following publications:

Information Paper: Producer and International Trade Price Indexes; Concepts, Sources and Methods, 2006 (cat. no. 6429.0)

Information Paper: Changes to Time Series Spreadsheets for Producer Price Indexes, Australia, Feb 2006 (cat. no. 6427.0.55.001)

Information Paper: Update on ANZSIC 2006 Implementation for Producer and International Trade Price Indexes, Australia, 2009 (cat. no. 6427.0.55.002)

Information Paper: Review of the Producer and International Trade Price Indexes, 2011 (cat. no. 6427.0.55.003)

Information Paper: Outcome of the Review of the Producer and International Trade Price Indexes, 2012 (cat. no. 6427.0.55.004)

Information Paper: Implementation of the Review of the Producer and International Trade Price Indexes, 2012 (cat. no. 6427.0.55.005)

Information Paper: Producer Price Indexes Weighting Patterns, 2012 (cat. no. 6427.0.55.006)

Information Paper: An Analytical Framework for Price Indexes in Australia, 1997 (cat. no. 6421.0)

Information Paper: Producer Price Index Developments, 1999 (cat. no. 6422.0)

Information Paper: Review of the Import Price Index and Export Price Index, Australia, 1999 (cat. no. 6424.0)

Information Paper: Price Indexes and The New Tax System, 2000 (cat. no. 6425.0)

Information Paper: The Introduction of Hedonics Price Indexes for Personal Computers, 2005 (cat. no. 6458.0)

Information Paper: Changes to the Weights of the Price Indexes for the Output of the General Construction Industry, 2008 (cat. no. 6406.0)

Australian and New Zealand Standard Industrial Classification (ANZSIC), 2006, (Revision 1.0) (cat. no. 1292.0)

Information Paper: Update on ANZSIC 2006 Implementation, 2008 (cat. no. 1295.0.55.001)

77 Users may also wish to refer to the following related publications, and other data products that are available free of charge from the ABS website.

International Trade Price Indexes, Australia (cat. no. 6457.0)

Consumer Price Index, Australia (cat. no. 6401.0)

Wage Price Index, Australia (cat. no. 6345.0)

Australian National Accounts: Input–Output Tables (cat. no. 5209.0.55.001)

Balance of Payments and International Investment Position, Australia (cat. no. 5302.0)

78 Current publications and other products released by the ABS are listed on the ABS website <<http://www.abs.gov.au>>. The ABS also issues a daily *Release Advice* on the website which details products to be released in the week ahead.

APPENDIX UPDATE ON THE 2012 REVIEW COMMITMENTS

APPENDIX 1 UPDATE ON THE 2012 REVIEW COMMITMENTS

The Producer Price Index (PPI) and International Trade Price Index (ITPI) 2012 Review commitments that are complete or nearing completion:

- From the September quarter 2012, the indexes represent an industry, rather than a product (primary to an industry) view.
- From the September quarter 2012, the ABS re-weighted the individual PPIs and SOP indexes based on the latest available Input-Output (I-O) tables (i.e. in respect of 2007–08). The Stage of Production (SOP) indexes are now classified according to the Australian and New Zealand Standard Industrial Classification, (ANZSIC) 2006 edition (cat. no. 1292.0).
- From the September quarter 2012, the ABS has increased the collection of price observations in the third month of the reference quarter to ensure full quarter coverage.
- The ABS has delayed the timing of the PPI and ITPI publication releases by nine working days, aligning with the National Accounts and Balance of Payments input deadlines.
- The ABS fully incorporated the use of the Export Price Indexes (EPIs) and the Import Price Indexes (IPIs) (i.e. the ITPIs) in the compilation of the National Accounts and the Balance of Payments chain volume measures (CVMs).
- The ABS harmonised the index reference periods for PPIs (including the SOP indexes), ITPIs and the Consumer Price Index. These series are presented on an index reference period of 2011–12 = 100.0.
- The ABS adopted 2008 System of National Accounts (SNA) terminology when referencing indexes that align with the 2008 SNA. This resulted in some changes to PPI series titles, details of which appear in the outcomes paper.
- The ABS PPIs for retail trade margins commenced on 25 February 2014.
- The ABS PPIs will continue to support the compilation of the National Accounts and Balance of Payments.
- The ABS will continue to improve the coverage of the PPIs in line with the 2008 SNA I-O framework by progressively developing new price indexes, in line with the priorities detailed in the review.
- The ABS will increase the frequency of re-weighting the PPIs in line with international recommendations to update weights at a minimum of once every five years. The ABS is undertaking additional research to firm up the possibility for more frequent PPI re-weighting. The schedule of release of the National Accounts I-O tables will influence this outcome. The re-weighting frequency of the ITPIs will remain annual.
- The services prices index development program will continue to improve the coverage of the PPIs and ITPIs to reflect the contribution of services to the economy.
- Price indexes for Construction; Transport, Postal and Warehousing; and Information Media and Telecommunications products are currently under development.
- The ABS will provide further clarification on the concept of the SOP indexes in the Explanatory Notes of the publication *Producer Price Indexes, Australia* (cat. no. 6427.0) and within an updated *Producer and International Trade Price Indexes: Concepts, Sources and Methods* publication, which will be released on 20 August 2014.

The PPI and ITPI 2012 Review commitments that are deferred pending ABS 2017 outcomes:

- Due to the timing of input data receipt from survey respondents, the current period retail trade margins data will not be available to be incorporated in the suite of PPIs for publication at the same time as all other PPIs. The ABS is exploring options for a more timely inclusion of retail trade margins price indexes.

APPENDIX UPDATE ON THE 2012 REVIEW COMMITMENTS *continued*

APPENDIX 1 UPDATE ON THE 2012 REVIEW COMMITMENTS *continued*

- The introduction of a new computer system will allow the coverage of the PPIs to include non-market price indexes.
- The ABS will broaden the scope of the ITPIs to include International Trade in Services. The ITPIs will change to being aggregated using weights aligned with Balance of Payments and International Investment Position Manual, sixth edition (BPM6) concepts.
- It is the aim of the ABS that the PPIs and ITPIs are able to be revised to accommodate improved data in subsequent quarters. To minimise the impact on those who use the indexes for contract indexation, once revised, indexes will be considered final (barring significant error and respondent corrections). The time period that the statistics will remain open to revision is subject to further investigation. The revisions strategy is dependent on the development and implementation of a new computer system, which is reliant on ABS 2017 outcomes.

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