

## SUBMISSION TO CPI REVIEW

For most of my adult life (I was born in Kalgoorlie in 1933 during the Great Depression) I have tried to understand the context and purpose of the CPI. Whenever there has been a review of the CPI, it seems to me, to have been made more remote, less relevant and most certainly less credible to the “average Australian” of whom I claim to be one.

A much more relevant and credible way to compile the basket of costs for the CPI would be to randomly select an appropriate number of households throughout the breadth of the Commonwealth, (proportionally representative of the population of large, medium, single and retired folk) and to document their expenditure each quarter and to observe the changes in their costs.

My CSS pension was increased by 1.3% on 14<sup>th</sup> January 2010. My HBF has just been increased by \$5.00 per week, my House and contents insurance has risen from \$666.49 in 2009 to \$873.05 this year. This increase defies the fact that I have made no claims on my insurance in the last 30 or so years. The Government has announced a 7.5% increase in Electricity charges in April 2010 followed by a further 10% increase in August. My wife advises that prices at the Supermarket are continuously rising. As well manufacturers are getting very sneaky by reducing size, weight contents etc without reducing prices.

Yesterday I received a letter from Telstra advising that my mobile plan was being removed and new charges would be an increase from \$5 per month to \$10 per month with call costs increasing from 45c per 30 sec to 50c per 30 sec. This is in spite of my mobile phone being out of range the majority of the time.

It seems to me that the highly educated and well paid Statisticians are very active in creating the most obscurant Cost Price Index conceivable with enormous weasel room to enable Politicians to make equally outlandish claims that the “Aussie Battler” never had it so good. In the words of our esteemed Prime Minister, isn’t it time to “put some objective specificity” into the Cost Price Index?

PS I would appreciate an acknowledgement of my submission.

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