

I have noted that there is a review of CPI and that the ABS have requested for people to have input. This is to be applauded, as CPI is a statistic used widely in economic circles. I am retired from the SA Public Service and my superannuation (Pension Scheme) is linked to increases to the CPI for Adelaide. As a result, as CPI increases based on movement in Adelaide figures, my fortnightly salary increases, twice annually (July-Dec & Jan-June). I live in Mt Gambier, a regional city in SA.

My only comment to make which I would appreciate being given consideration is the following:

As CPI seems to be based on city costs for the various elements (Food, Alcohol & Tobacco, Clothing & Footwear, Housing, Household Contents & Services, Health, Transportation, Communications, Recreation, Education, Financial & Insurance) I believe that there is not sufficient consideration given to Regional & Rural costs when determining CPI.

Living in regional areas outside of capital cities does cost more to live, particularly on most of the elements used in compiling CPI. Fuel costs are generally 5 to 10 cents per litre more, transportation costs are more as there is limited public transport available, and most products and produce cost more because of transport cost being added. Generally people have to travel to capital cities for specialist treatment with associated accommodation costs added to overall expense. I believe that inflation costs are more in regional/rural areas than in the City. CPI based on Capital City costs seems to underestimate real inflation costs.

It would be appreciated if some consideration could be given to putting some weight to regional/rural living costs when compiling the CPI. It may add 0.1% to 0.5% or even more to the final accepted value used by the ABS. I am sure that there would be economic statisticians in the ABS who would have some good understanding of some of these differences in cost structures between city and regional areas.

Thank you for giving me an opportunity to make comment.

Yours sincerely

Dennis R Page