

# CONSUMER PRICE INDEX AUSTRALIA

EMBARGO: 11:30AM (CANBERRA TIME) WED 22 OCT 1997

## SEPTEMBER QTR KEY FIGURES

<i>Weighted average of eight capital cities</i>	<i>% change Jun Qtr 1997 to Sep Qtr 1997</i>	<i>% change Sep Qtr 1996 to Sep Qtr 1997</i>
Food	0.0	2.1
Clothing	-0.2	-0.1
Housing	-1.0	-9.6
Household equipment and operation	-0.4	0.3
Transportation	0.4	0.8
Tobacco and alcohol	-0.1	0.9
Health and personal care	-3.5	2.5
Recreation and education	0.9	3.2
<b>All groups</b>	<b>-0.4</b>	<b>-0.3</b>
All groups excluding housing	-0.3	1.4

## SEPTEMBER QTR KEY POINTS

### THE ALL GROUPS CPI

- fell by 0.4% between the June and September quarters 1997, the lowest quarterly change since the March quarter 1984.
- fell by 0.3% between the September quarters 1996 and 1997, the lowest annual change since the year ended June quarter 1962.

**CPI Review Outcome**  
to be released on  
Wednesday 12 November  
— See page 2.

### OVERVIEW OF CPI MOVEMENTS

- contributing most to the overall decrease this quarter were falls in the cost of hospital and medical services (-6.5%), mortgage interest charges (-4.9%), the prices of fresh vegetables (-11.8%) and furniture (-1.4%).
- partially offsetting the above were increases in local government rates and charges (+2.0%), entertainment services (+1.4%), confectionery (+2.8%), and privately-owned dwelling rents (+0.7%).
- contributing most to the annual decrease were mortgage interest charges (-26.4%), the price of motor vehicles (-4.4%), fresh fruit (-5.3%), consumer credit charges (-1.9%) and video and sound equipment (-6.3%). Offsets were provided by increases in vehicle insurance (+6.1%), privately-owned dwelling rents (+2.9%), entertainment services (+4.7%) and education fees (+6.4%).

### Treasury's Measure of Underlying Inflation

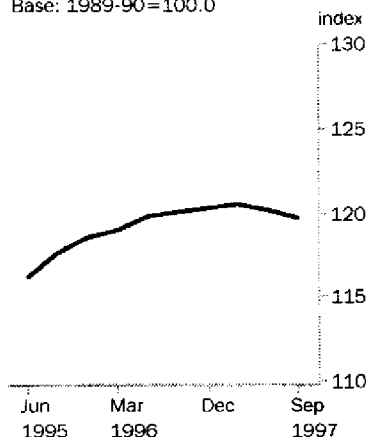
The index of underlying inflation, as defined by the Commonwealth Treasury, increased 0.3% between the June and September quarters 1997, and 1.5% between the September quarters 1996 and 1997.



**Australian  
Bureau of  
Statistics**

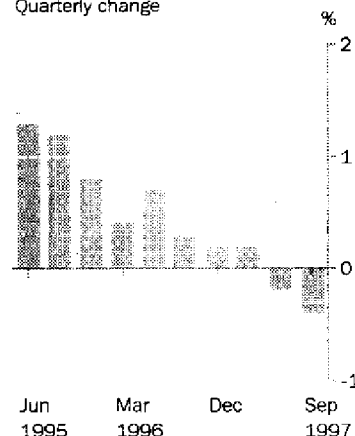
#### All Groups

Base: 1989-90=100.0



#### All Groups

Quarterly change



### INQUIRIES

- For further information about these and related statistics, contact Judy Henson on 02 6252 6251, or any ABS Office.

# NOTES

## FORTHCOMING ISSUES

*ISSUE (Quarter)*

*RELEASE DATE*

December 1997

28 January 1998

March 1998

29 April 1998

\*\*\*\*\*

## CHANGES IN THIS ISSUE

Included in this issue is an Appendix describing the treatment of the Private Health Insurance Incentive Scheme, see page 24.

\*\*\*\*\*

## ROUNDING

Any discrepancies between totals and sums of components in this publication are due to rounding. For similar reasons quarterly movements shown by sub-group or group index numbers in Table 6 do not necessarily correspond exactly with those shown by the relevant index points.

\*\*\*\*\*

## CPI REVIEW OUTCOME

*Information paper: Outcome of the 13th Series Australian Consumer Price Index Review (6453.0)* will be released on Wednesday 12 November 1997. The paper will set out the decisions taken, following extensive public consultation, on the key aspects of the 13th series CPI, which will be introduced in 1998.

W. McLennan  
Australian Statistician

## ANALYSES AND COMMENTS

### MAIN CONTRIBUTIONS TO CHANGE

#### HEALTH AND PERSONAL CARE: -3.5%

The decrease in this quarter is predominantly due to a fall in the cost of hospital and medical services (-6.5%) as a result of a decrease in the net price payable by households for health fund premiums. The decrease in the net price results from the introduction of the Private Health Insurance Incentive Scheme from 1 July 1997. See the Appendix appearing on page 24 of this publication for details.

The quarterly fall in pharmaceuticals (-2.2%) is mainly due to the cyclical effect of the PBS safety net scheme.

Health and personal care costs rose by 2.5% between September quarters 1996 and 1997. The most significant movements within this group were for hospital and medical services (+2.7%), hairdressing services (+4.0%), and pharmaceuticals (+3.0%).

#### HOUSING: -1.0%

The decrease in the housing index this quarter is the fifth consecutive quarterly fall for the housing group. The decrease is the result of further falls in mortgage interest charges (-4.9%). Partially offsetting the decrease were increases in privately-owned dwelling rents (+0.7%) and local government rates and charges (+2.0%).

The fall in mortgage interest charges is the result of continuing decreases in interest rates, a decrease of 5.3% this quarter, which completely offset a slight rise of 0.5% in the debt index. Decreases in housing interest rates this quarter reflect reductions occurring in July, and the flow-on effect of drops in April and May. The mortgage interest charges index is currently at its lowest level since June 1987.

Privately-owned dwelling rents rose in all cities except Hobart (-0.4%) and Canberra (-0.1%). Increases in the other cities ranged from 0.9% in Sydney and Melbourne to 0.1% in Brisbane.

Annually, the cost of housing has fallen by 9.6%, the largest annual decrease recorded for the housing group since the introduction of mortgage interest charges in March quarter 1987. The drop is due to a significant decrease of 26.4% in mortgage interest charges. The most significant offsetting movements to this decrease were rises in privately-owned dwelling rents (+2.9%) and local government rates and charges (+2.5%).

#### HOUSEHOLD EQUIPMENT AND OPERATION: -0.4%

The decrease this quarter is attributable to falls in furniture prices (-1.4%), household cleaning agents (-3.8%), and consumer credit charges (-1.1%).

The annual change (+0.3%) is the smallest since September quarter 1994. It was a result of many minor increases overcoming an annual decrease to consumer credit charges (-1.9%). All cities recorded positive annual changes except Sydney (-0.4%) and Darwin (-0.3%).

## ANALYSES AND COMMENTS

### MAIN CONTRIBUTIONS TO CHANGE *continued*

**RECREATION AND  
EDUCATION: +0.9%**

The increase this quarter results mainly from increases for entertainment services (+1.4%), holiday travel and accommodation in Australia (+1.8%), holiday travel and accommodation overseas (+2.2%) and books, newspapers and magazines (+1.5%). The most significant decreases were video and sound equipment (-1.7%) and records, cassettes and tapes (-1.5%).

Recreation and education costs increased 3.2% between September quarters 1996 and 1997. The most significant increases were for entertainment services (+4.7%), education fees (+6.4%), books, newspapers and magazines (+6.7%) and holiday travel and accommodation in Australia (+5.0%).

**TRANSPORTATION: +0.4%**

The rise in transportation costs this quarter is attributable to increases in the cost of motoring charges (+2.3%), vehicle insurance (+1.3%), motor vehicle purchase (+1.1%), and urban transport fares (+1.0%).

These rises were offset by a quarterly decrease in the price of petrol (-0.8%). Despite small rises in the months of July (+0.2%), in August (+0.4%) and in September (+0.5%), the average price rise over those three months was lower than the corresponding average price for the three months of June quarter 1997.

Over the 12 months to September quarter 1997, motor vehicle prices declined by 4.4%, while there were rises in urban transport fares (+3.9%), vehicle insurance costs (+6.1%), petrol prices (+1.8%) and motoring charges (+4.2%).

**TOBACCO AND ALCOHOL: -0.1%**

The decrease in tobacco and alcohol prices this quarter is the first negative movement since March quarter 1979. The decrease is primarily due to a fall in the price of spirits (-1.8%). A major contributor to this fall was adjustments made to the price of some whisky products to reflect a quality change resulting from an increase in alcohol content.

### CONSUMER PRICE INDEX, All groups percentage changes

#### PERCENTAGE CHANGE BETWEEN

	<i>Jun Qtr 1997 and Sep Qtr 1997</i>	<i>Sep Qtr 1996 and Sep Qtr 1997</i>
Sydney	-0.3	-0.3
Melbourne	-0.3	-0.1
Brisbane	-0.3	0.1
Adelaide	-0.6	-0.8
Perth	-0.5	-0.7
Hobart	-0.6	-0.4
Darwin	-0.4	-0.5
Canberra	-0.5	-1.3
Weighted average of eight capital cities	-0.4	-0.3

## ALL GROUPS, Index Numbers(a)

Period	Sydney	Melbourne	Brisbane	Adelaide	Perth	Hobart	Darwin	Canberra	Weighted average of eight capital cities
<b>1993-94</b>	109.2	111.1	110.6	113.4	108.5	111.7	111.5	111.4	110.4
<b>1994-95</b>	113.0	114.1	114.7	116.9	112.3	115.2	114.7	115.1	113.9
<b>1995-96</b>	118.7	118.4	119.1	121.2	116.7	119.6	119.5	120.3	118.7
<b>1996-97</b>	120.4	119.9	121.0	122.3	118.3	121.4	121.6	121.2	120.3
<b>1993</b>									
September	108.7	110.5	109.9	112.7	107.9	111.0	110.6	111.0	109.8
December	108.8	110.8	110.2	112.8	108.5	111.6	111.7	111.3	110.0
<b>1994</b>									
March	109.1	111.2	110.8	113.6	108.6	111.9	111.4	111.4	110.4
June	110.0	112.0	111.5	114.4	109.1	112.4	112.4	112.0	111.2
September	111.0	112.2	112.5	114.9	110.1	113.3	113.0	112.6	111.9
December	111.8	113.1	113.7	116.0	111.0	114.2	113.7	113.8	112.8
<b>1995</b>									
March	113.7	115.0	115.8	117.8	113.0	116.1	115.3	116.3	114.7
June	115.4	116.2	116.9	118.8	114.9	117.1	116.8	117.6	116.2
September	117.3	117.6	117.9	120.1	115.6	118.4	118.0	119.1	117.6
December	118.3	118.5	118.6	121.1	116.3	119.2	119.2	120.0	118.5
<b>1996</b>									
March	119.1	118.3	119.6	121.6	117.1	120.1	119.8	120.8	119.0
June	119.9	119.2	120.4	122.0	117.9	120.6	120.8	121.4	119.8
September	120.2	119.6	120.6	122.2	118.3	121.1	121.6	121.4	120.1
December	120.4	119.9	120.8	122.6	118.4	121.3	121.7	121.4	120.3
<b>1997</b>									
March	120.6	120.1	121.5	122.6	118.2	121.9	121.6	121.4	120.5
June	120.2	119.9	121.1	121.9	118.1	121.3	121.5	120.4	120.2
September	119.8	119.5	120.7	121.2	117.5	120.6	121.0	119.8	119.7

(a) Base of each index: 1989-90 = 100.0

ALL GROUPS, Percentage Changes

Period	Sydney	Melbourne	Brisbane	Adelaide	Perth	Hobart	Darwin	Canberra	Weighted average of eight capital cities
PERCENTAGE CHANGE (from previous year)									
<b>1993-94</b>	1.4	2.0	1.9	2.0	2.2	2.9	1.8	1.7	1.8
<b>1994-95</b>	3.5	2.7	3.7	3.1	3.5	3.1	2.9	3.3	3.2
<b>1995-96</b>	5.0	3.8	3.8	3.7	3.9	3.8	4.2	4.5	4.2
<b>1996-97</b>	1.4	1.3	1.6	0.9	1.4	1.5	1.8	0.7	1.3
PERCENTAGE CHANGE (from corresponding quarter of previous year)									
<b>1993</b>									
September	1.7	2.4	2.8	2.4	2.3	3.2	1.6	2.2	2.2
December	1.3	2.4	1.9	1.9	2.3	3.3	2.3	2.1	1.9
<b>1994</b>									
March	0.8	1.6	1.6	1.8	2.1	2.6	1.5	1.2	1.4
June	1.5	1.7	1.6	1.9	2.2	2.7	2.2	1.5	1.7
September	2.1	1.5	2.4	2.0	2.0	2.1	2.2	1.4	1.9
December	2.8	2.1	3.2	2.8	2.3	2.3	1.8	2.2	2.5
<b>1995</b>									
March	4.2	3.4	4.5	3.7	4.1	3.8	3.5	4.4	3.9
June	4.9	3.8	4.8	3.8	5.3	4.2	3.9	5.0	4.5
September	5.7	4.8	4.8	4.5	5.0	4.5	4.4	5.8	5.1
December	5.8	4.8	4.3	4.4	4.8	4.4	4.8	5.4	5.1
<b>1996</b>									
March	4.7	2.9	3.3	3.2	3.6	3.4	3.9	3.9	3.7
June	3.9	2.6	3.0	2.7	2.6	3.0	3.4	3.2	3.1
September	2.5	1.7	2.3	1.7	2.3	2.3	3.1	1.9	2.1
December	1.8	1.2	1.9	1.2	1.8	1.8	2.1	1.2	1.5
<b>1997</b>									
March	1.3	1.5	1.6	0.8	0.9	1.5	1.5	0.5	1.3
June	0.3	0.6	0.6	-0.1	0.2	0.6	0.6	-0.8	0.3
September	-0.3	-0.1	0.1	-0.8	-0.7	-0.4	-0.5	-1.3	-0.3
PERCENTAGE CHANGE (from previous quarter)									
<b>1993</b>									
September	0.3	0.4	0.2	0.4	1.0	1.5	0.5	0.6	0.5
December	0.1	0.3	0.3	0.1	0.6	0.5	1.0	0.3	0.2
<b>1994</b>									
March	0.3	0.4	0.5	0.7	0.1	0.3	-0.3	0.1	0.4
June	0.8	0.7	0.6	0.7	0.5	0.4	0.9	0.5	0.7
September	0.9	0.2	0.9	0.4	0.9	0.8	0.5	0.5	0.6
December	0.7	0.8	1.1	1.0	0.8	0.8	0.6	1.1	0.8
<b>1995</b>									
March	1.7	1.7	1.8	1.6	1.8	1.7	1.4	2.2	1.7
June	1.5	1.0	0.9	0.8	1.7	0.9	1.3	1.1	1.3
September	1.6	1.2	0.9	1.1	0.6	1.1	1.0	1.3	1.2
December	0.9	0.8	0.6	0.8	0.6	0.7	1.0	0.8	0.8
<b>1996</b>									
March	0.7	-0.2	0.8	0.4	0.7	0.8	0.5	0.7	0.4
June	0.7	0.8	0.7	0.3	0.7	0.4	0.8	0.5	0.7
September	0.3	0.3	0.2	0.2	0.3	0.4	0.7	0.0	0.3
December	0.2	0.3	0.2	0.3	0.1	0.2	0.1	0.0	0.2
<b>1997</b>									
March	0.2	0.2	0.6	0.0	-0.2	0.5	-0.1	0.0	0.2
June	-0.3	-0.2	-0.3	-0.6	-0.1	-0.5	-0.1	-0.8	-0.2
September	-0.3	-0.3	-0.3	-0.6	-0.5	-0.6	-0.4	-0.5	-0.4

## CPI GROUPS. Weighted Average of Eight Capital Cities—Index Numbers(a)

Period	Food	Clothing	Housing	Household equipment and operation	Trans- portation	Tobacco and alcohol	Health and personal care	Recreation and education	All groups
<b>1993-94</b>	109.4	106.7	94.2	107.8	113.8	133.7	129.0	111.9	110.4
<b>1994-95</b>	112.1	106.7	100.0	109.2	117.5	141.0	135.5	114.6	113.9
<b>1995-96</b>	116.0	107.0	105.9	111.7	122.6	156.1	141.8	117.7	118.7
<b>1996-97</b>	119.7	107.3	101.6	113.5	124.3	161.4	149.1	119.7	120.3
<b>1993</b>									
September	108.8	107.1	94.9	107.5	113.2	130.8	126.5	110.7	109.8
December	109.5	106.8	93.6	107.4	113.5	133.1	127.0	111.9	110.0
<b>1994</b>									
March	109.8	106.3	93.7	107.9	113.2	134.5	130.7	112.1	110.4
June	109.5	106.4	94.4	108.2	115.2	136.2	131.9	113.0	111.2
September	110.4	106.6	94.9	108.2	117.0	137.4	133.4	112.9	111.9
December	110.9	106.8	97.5	108.9	116.8	139.1	133.7	114.1	112.8
<b>1995</b>									
March	113.2	106.2	102.8	109.3	117.3	141.1	136.5	115.3	114.7
June	113.7	107.2	104.7	110.2	118.8	146.4	138.5	115.9	116.2
September	115.4	106.7	105.4	111.0	122.0	151.4	139.0	116.1	117.6
December	115.7	107.1	106.1	111.6	122.3	155.3	140.8	117.3	118.5
<b>1996</b>									
March	115.9	106.8	105.7	111.6	122.4	157.8	143.5	119.2	119.0
June	117.1	107.4	106.3	112.5	123.8	159.8	143.7	118.2	119.8
September	118.3	107.2	106.1	113.1	123.4	160.4	145.0	118.2	120.1
December	119.4	107.5	103.2	113.6	124.5	161.2	146.7	118.8	120.3
<b>1997</b>									
March	120.2	107.0	100.2	113.5	125.2	161.7	150.6	121.0	120.5
June	120.8	107.3	96.9	113.9	123.9	162.1	154.0	120.9	120.2
September	120.8	107.1	95.9	113.4	124.4	161.9	148.6	122.0	119.7

(a) Base of each index: 1989-90 = 100.0

## CPI GROUPS, Weighted Average of Eight Capital Cities—Percentage Changes

Period	Food	Clothing	Housing	Household equipment and operation	Trans- portation	Tobacco and alcohol	Health and personal care	Recreation and education	All groups
PERCENTAGE CHANGE (from previous year)									
<b>1993-94</b>	1.9	-0.7	-0.4	0.5	2.2	7.5	4.0	2.6	1.8
<b>1994-95</b>	2.5	0.0	6.2	1.3	3.3	5.5	5.0	2.4	3.2
<b>1995-96</b>	3.5	0.3	5.9	2.3	4.3	10.7	4.6	2.7	4.2
<b>1996-97</b>	3.2	0.3	-4.1	1.6	1.4	3.4	5.1	1.7	1.3
PERCENTAGE CHANGE (from corresponding quarter of previous year)									
<b>1993</b>									
September	2.6	0.5	0.3	0.1	2.1	8.8	4.2	3.0	2.2
December	2.6	-0.9	-0.4	-0.1	2.3	7.9	3.5	3.0	1.9
<b>1994</b>									
March	0.7	-1.1	-0.7	0.9	1.7	6.7	4.1	2.1	1.4
June	1.4	-1.6	-0.8	0.7	2.8	6.4	4.4	2.4	1.7
September	1.5	-0.5	0.0	0.7	3.4	5.0	5.5	2.0	1.9
December	1.3	0.0	4.2	1.4	2.9	4.5	5.3	2.0	2.5
<b>1995</b>									
March	3.1	-0.1	9.7	1.3	3.6	4.9	4.4	2.9	3.9
June	3.8	0.8	10.9	1.8	3.1	7.5	5.0	2.6	4.5
September	4.5	0.1	11.1	2.6	4.3	10.2	4.2	2.8	5.1
December	4.3	0.3	8.8	2.5	4.7	11.6	5.3	2.8	5.1
<b>1996</b>									
March	2.4	0.6	2.8	2.1	4.3	11.8	5.1	3.4	3.7
June	3.0	0.2	1.5	2.1	4.2	9.2	3.8	2.0	3.1
September	2.5	0.5	0.7	1.9	1.1	5.9	4.3	1.8	2.1
December	3.2	0.4	-2.7	1.8	1.8	3.8	4.2	1.3	1.5
<b>1997</b>									
March	3.7	0.2	-5.2	1.7	2.3	2.5	4.9	1.5	1.3
June	3.2	-0.1	-8.8	1.2	0.1	1.4	7.2	2.3	0.3
September	2.1	-0.1	-9.6	0.3	0.8	0.9	2.5	3.2	-0.3
PERCENTAGE CHANGE (from previous quarter)									
<b>1993</b>									
September	0.7	-0.9	-0.3	0.1	1.0	2.2	0.1	0.3	0.5
December	0.6	-0.3	-1.4	-0.1	0.3	1.8	0.4	1.1	0.2
<b>1994</b>									
March	0.3	-0.5	0.1	0.5	-0.3	1.1	2.9	0.2	0.4
June	-0.3	0.1	0.7	0.3	1.8	1.3	0.9	0.8	0.7
September	0.8	0.2	0.5	0.0	1.6	0.9	1.1	-0.1	0.6
December	0.5	0.2	2.7	0.6	-0.2	1.2	0.2	1.1	0.8
<b>1995</b>									
March	2.1	-0.6	5.4	0.4	0.4	1.4	2.1	1.1	1.7
June	0.4	0.9	1.8	0.8	1.3	3.8	1.5	0.5	1.3
September	1.5	-0.5	0.7	0.7	2.7	3.4	0.4	0.2	1.2
December	0.3	0.4	0.7	0.5	0.2	2.6	1.3	1.0	0.8
<b>1996</b>									
March	0.2	-0.3	-0.4	0.0	0.1	1.6	1.9	1.6	0.4
June	1.0	0.6	0.6	0.8	1.1	1.3	0.1	-0.8	0.7
September	1.0	-0.2	-0.2	0.5	-0.3	0.4	0.9	0.0	0.3
December	0.9	0.3	-2.7	0.4	0.9	0.5	1.2	0.5	0.2
<b>1997</b>									
March	0.7	-0.5	-2.9	-0.1	0.6	0.3	2.7	1.9	0.2
June	0.5	0.3	-3.3	0.4	-1.0	0.2	2.3	-0.1	-0.2
September	0.0	0.2	-1.0	-0.4	0.4	-0.1	-3.5	0.9	-0.4



## CONTRIBUTION TO CHANGE IN ALL GROUPS INDEXES, Sep Qtr 1997(a)

Group, sub-group and expenditure class	Sydney	Melbourne	Brisbane	Adelaide	Perth	Hobart	Darwin	Canberra	Weighted average of eight capital cities
<b>Food</b>	-0.02	0.04	-0.21	0.01	0.10	0.01	-0.03	0.07	—
Dairy products	0.01	-0.01	-0.01	—	0.02	—	0.03	0.04	—
Milk and cream	0.01	—	—	0.01	0.03	—	0.04	0.03	0.01
Cheese	—	—	-0.01	—	0.01	0.01	-0.01	0.01	—
Butter	—	—	—	—	—	—	—	—	—
Other dairy products	—	—	—	-0.01	-0.01	—	—	—	-0.01
Cereal products	0.01	0.03	-0.04	0.02	0.04	0.11	—	0.01	0.02
Bread	0.02	0.04	-0.03	0.01	0.02	0.10	0.01	—	0.03
Cakes and biscuits	-0.01	—	—	0.01	0.02	0.01	—	—	—
Breakfast cereals	-0.01	—	-0.02	-0.01	-0.01	—	—	—	-0.01
Other cereal products	—	-0.02	0.01	—	0.01	—	-0.01	0.01	—
Meat and seafoods	0.04	0.04	0.03	0.01	-0.02	-0.03	0.04	0.01	0.03
Beef and veal	—	—	—	—	0.01	—	0.02	0.01	—
Lamb and mutton	0.01	0.02	0.02	-0.01	-0.01	-0.01	0.01	0.02	0.01
Pork	—	—	0.01	—	—	—	—	0.01	—
Poultry	—	0.03	0.01	-0.01	0.01	—	0.02	—	0.02
Bacon and ham	—	-0.02	-0.01	—	-0.01	-0.02	—	-0.02	-0.01
Processed meat	0.01	0.01	—	0.01	—	-0.02	—	—	0.01
Fish	0.01	—	—	—	—	0.01	0.01	—	0.01
Fresh fruit and vegetables	-0.17	-0.09	-0.19	-0.11	-0.03	-0.04	-0.16	-0.10	-0.12
Fresh fruit	-0.05	-0.01	-0.05	-0.03	-0.07	—	-0.01	0.01	-0.03
Fresh potatoes	—	—	—	0.01	—	-0.01	0.01	—	—
Fresh vegetables	-0.12	-0.08	-0.13	-0.08	0.03	-0.02	-0.17	-0.11	-0.09
Processed fruit and vegetables	-0.01	-0.01	-0.01	0.01	—	-0.01	-0.03	—	—
Processed fruit	-0.01	—	—	0.01	—	—	-0.01	—	—
Fruit juice	—	—	0.01	—	0.01	—	-0.02	—	—
Processed vegetables	—	-0.01	-0.01	—	—	—	-0.01	—	-0.01
Soft drinks, ice cream and confectionery	0.06	0.04	0.01	0.02	0.03	-0.01	0.07	0.06	0.04
Soft drinks and cordials	—	0.01	-0.01	-0.01	0.02	—	0.02	0.02	—
Ice cream and ice confectionery	—	-0.03	—	0.01	-0.02	—	0.01	—	-0.01
Confectionery	0.06	0.06	0.02	0.04	0.02	-0.01	0.04	0.04	0.04
Meals out and take away foods	0.02	0.02	—	0.03	0.01	-0.02	0.03	0.06	0.01
Meals out	0.02	0.01	0.01	—	0.02	-0.02	0.02	0.03	0.01
Take away foods	—	—	-0.01	0.03	-0.01	—	—	0.03	—
Other food	0.02	0.02	-0.02	0.05	0.05	0.01	—	-0.01	0.02
Eggs	—	—	-0.01	—	—	—	—	—	—
Sugar	-0.01	—	—	—	—	—	—	—	—
Jams, honey and sandwich spreads	0.01	—	—	—	—	—	—	—	—
Tea, coffee and food drinks	0.02	0.03	0.02	0.02	0.03	0.02	0.02	—	0.02
Food additives, sauces and spices	0.01	—	—	0.01	-0.01	0.01	—	0.01	—
Margarine	-0.01	-0.01	-0.01	0.02	0.01	-0.01	—	-0.01	—
Cooking oils and fats	—	—	-0.01	0.01	—	—	—	0.01	-0.01
Other food	—	—	-0.01	0.01	—	-0.02	-0.02	—	0.01
<b>Clothing</b>	-0.02	—	-0.03	0.01	-0.03	-0.03	0.03	-0.07	-0.01
Men's and boys' clothing	-0.01	—	-0.03	—	—	-0.04	0.02	-0.04	-0.01
Men's outer clothing	-0.01	—	-0.01	—	—	-0.02	—	-0.03	-0.01
Men's knitwear	—	—	—	—	—	—	—	—	—
Men's shirts	—	—	-0.01	0.01	—	—	—	-0.01	—
Men's underwear, nightwear and socks	—	—	-0.01	—	—	-0.01	—	-0.01	-0.01
Boys' clothing	-0.01	-0.01	—	—	-0.01	-0.03	0.02	-0.01	—
Women's and girls' clothing	-0.01	0.01	—	-0.01	—	0.01	—	-0.02	—
Women's outer clothing	—	—	—	—	—	—	—	-0.01	—
Women's knitwear	—	—	—	—	—	—	—	—	—
Women's underwear, nightwear and hosiery	—	0.01	—	-0.01	—	—	—	-0.01	0.01
Girls' clothing	-0.01	—	-0.01	-0.01	-0.01	-0.01	—	—	—
Fabrics and knitting wool	-0.01	—	-0.02	—	—	0.01	—	0.01	—
Footwear	-0.01	—	—	0.02	-0.01	—	—	-0.04	-0.01
Men's footwear	—	—	—	0.02	—	—	—	-0.01	—
Women's footwear	—	—	—	—	-0.01	—	—	-0.03	-0.01
Children's footwear	0.01	—	—	—	-0.01	—	—	-0.01	0.01
Dry cleaning and shoe repairs	—	0.01	0.01	0.01	—	—	—	0.02	—

Group, sub-group and expenditure class	Sydney	Melbourne	Brisbane	Adelaide	Perth	Hobart	Darwin	Canberra	Weighted average of eight capital cities
<b>Housing</b>	-0.10	-0.23	-0.11	-0.31	-0.21	-0.12	-0.20	-0.34	-0.18
Rents	0.07	0.03	—	0.02	0.01	0.02	0.03	—	0.04
Privately-owned dwelling rents	0.07	0.03	—	0.03	0.02	-0.02	0.02	—	0.04
Government-owned dwelling rents	—	—	—	0.01	—	0.04	0.01	—	0.01
Home ownership	-0.17	-0.26	-0.11	-0.33	-0.22	-0.15	-0.23	-0.35	-0.22
Mortgage interest charges	-0.28	-0.30	-0.29	-0.34	-0.22	-0.25	-0.24	-0.44	-0.29
Local government rates and charges	0.11	—	0.15	-0.02	—	0.05	0.04	0.08	0.05
House repairs and maintenance	0.01	0.01	0.03	0.03	—	0.05	-0.03	0.01	0.02
House insurance	0.01	0.02	—	—	—	0.01	—	—	0.01
<b>Household equipment and operation</b>	-0.18	-0.07	-0.02	—	-0.09	-0.07	-0.03	-0.14	-0.11
Fuel and light	0.01	0.03	—	0.05	0.08	-0.01	—	0.04	0.02
Electricity	—	0.01	—	0.03	0.08	—	—	0.04	0.01
Gas	0.01	0.02	—	0.03	—	—	—	0.01	0.01
Other fuel	—	—	—	—	—	-0.01	—	—	—
Furniture and floor coverings	-0.09	-0.05	0.01	-0.05	-0.05	-0.02	—	-0.13	-0.06
Furniture	-0.08	-0.04	—	-0.06	-0.05	-0.02	0.01	-0.13	-0.06
Floor coverings	—	-0.01	0.02	0.01	0.01	—	—	0.01	—
Appliances	-0.01	—	-0.01	-0.01	-0.01	—	—	-0.02	-0.01
Household textiles	0.01	—	—	0.04	-0.02	-0.03	-0.01	-0.01	0.01
Bedding	-0.01	—	—	0.01	0.01	—	-0.01	-0.01	—
Towels, linen and curtains	0.02	—	—	0.02	-0.01	-0.03	-0.01	-0.01	0.01
Household utensils and tools	-0.02	-0.02	-0.01	0.01	—	-0.04	-0.01	0.01	-0.01
Tableware, glassware and cutlery	—	-0.02	0.01	—	-0.01	-0.03	—	—	-0.01
Kitchen and cooking utensils	-0.02	-0.01	-0.02	—	0.01	—	—	—	-0.02
Cleaning utensils	—	—	—	—	-0.01	—	—	—	—
Tools	—	—	—	0.01	—	—	—	0.01	—
Household supplies and services	-0.06	-0.03	0.02	—	-0.06	0.05	-0.01	-0.02	-0.04
Household cleaning agents	-0.03	-0.02	-0.03	-0.01	-0.06	-0.02	-0.02	-0.03	-0.03
Household paper products	—	-0.01	0.01	—	-0.02	—	—	—	—
Other household non-durables	—	-0.01	0.01	0.01	0.01	0.01	0.02	0.01	0.01
Stationery	-0.01	—	0.02	0.01	-0.02	—	-0.01	—	—
Watches and clocks	—	—	—	-0.01	—	0.01	—	-0.01	—
Veterinary services	—	—	—	—	—	—	—	—	—
Pet foods	-0.04	—	-0.01	—	0.02	-0.02	-0.01	—	-0.01
Travel goods	—	—	—	—	—	—	—	—	—
House contents insurance	0.01	—	0.01	-0.01	—	0.09	—	—	—
Repairs to appliances	—	0.01	—	0.01	—	—	—	—	—
Postal and telephone services	0.01	—	0.01	0.01	—	—	—	—	—
Postal services	—	—	—	—	—	—	—	—	—
Telephone services	0.01	0.01	—	—	—	—	—	—	—
Consumer credit charges	-0.04	-0.01	-0.03	-0.03	-0.03	-0.02	—	-0.01	-0.03
<b>Transportation</b>	0.09	0.13	0.01	0.08	-0.05	0.07	—	-0.02	0.07
Private motoring	0.06	0.11	0.02	0.07	-0.06	0.06	-0.01	-0.03	0.05
Motor vehicles	0.06	0.01	0.09	0.10	0.02	0.09	0.09	-0.01	0.04
Automotive fuel	-0.07	0.07	-0.09	-0.07	-0.19	-0.01	-0.10	-0.18	-0.04
Vehicle insurance	0.05	0.04	0.01	0.02	—	-0.01	0.02	0.12	0.04
Motoring charges	0.04	—	0.03	—	0.08	0.02	—	0.03	0.03
Tyres and tubes	—	—	-0.01	—	—	—	—	—	—
Vehicle servicing, repairs and parts	-0.02	-0.01	-0.01	0.01	0.01	-0.02	-0.03	0.01	—
Urban transport fares	0.03	—	—	0.01	0.01	—	—	0.01	0.02
<b>Tobacco and Alcohol</b>	-0.01	-0.05	0.05	0.05	-0.02	0.01	-0.07	0.02	-0.01
Alcoholic drinks	-0.01	-0.04	0.03	-0.01	0.02	0.05	-0.07	0.02	-0.01
Beer	0.01	-0.02	0.01	0.01	0.02	0.04	-0.05	0.03	—
Wine	0.01	0.02	0.01	0.01	0.03	0.01	-0.01	0.02	0.01
Spirits	0.03	-0.03	0.01	-0.03	-0.03	0.01	-0.01	-0.03	-0.02
Cigarettes and tobacco	-0.01	-0.02	0.02	0.07	-0.04	-0.04	0.01	—	—

CONTRIBUTION TO CHANGE IN ALL GROUPS INDEXES, Sep Qtr 1997(a) *continued*

Group, sub-group and expenditure class	Sydney	Melbourne	Brisbane	Adelaide	Perth	Hobart	Darwin	Canberra	Weighted average of eight capital cities
<b>Health and personal care</b>	-0.27	-0.32	-0.16	-0.66	-0.43	-0.61	-0.35	-0.19	-0.32
Health services	-0.23	-0.30	-0.15	-0.67	-0.39	-0.57	-0.36	-0.17	-0.30
Hospital and medical services	-0.23	-0.30	-0.15	-0.69	-0.40	-0.57	-0.36	-0.18	-0.31
Optical services	—	—	—	—	—	0.01	—	—	—
Dental services	0.01	—	-0.01	0.01	0.01	—	—	0.01	—
Personal care products	-0.05	-0.02	-0.01	0.01	-0.01	-0.05	-0.01	-0.01	-0.03
Pharmaceuticals	-0.03	-0.03	-0.02	-0.02	-0.01	-0.04	-0.02	-0.03	-0.03
Toiletries and personal products	-0.03	—	0.02	0.03	—	-0.01	0.01	—	—
Hairdressing services	0.01	-0.01	—	—	-0.01	—	—	0.01	—
<b>Recreation and education</b>	0.14	0.15	0.05	0.08	0.10	0.01	0.17	0.01	0.11
Books, newspapers and magazines	0.02	0.03	0.02	0.01	0.03	0.03	0.05	0.01	0.02
Recreational goods	-0.02	-0.01	-0.02	—	-0.05	—	-0.02	-0.01	-0.02
Video and sound equipment	-0.02	-0.01	-0.01	-0.01	-0.03	-0.02	-0.01	-0.01	-0.01
Records, cassettes and tapes	—	—	—	—	-0.01	—	—	—	-0.01
Sports and photographic equipment and toys	—	-0.01	—	—	—	0.01	-0.02	-0.01	—
Holiday travel and accommodation	0.07	0.08	0.04	0.04	-0.01	-0.07	0.10	-0.02	0.05
Holiday travel and accommodation in Australia	0.03	0.05	0.03	0.03	0.01	-0.07	0.07	-0.05	0.03
Holiday travel and accommodation overseas	0.04	0.04	0.01	0.01	-0.01	—	0.04	0.03	0.02
Recreational services	0.04	0.05	—	0.03	0.11	0.04	0.04	0.02	0.05
Photographic services	—	—	—	—	—	—	—	0.01	—
Repairs to recreational goods	—	—	—	—	0.01	—	—	—	—
Entertainment	0.04	0.06	—	0.03	0.10	0.03	0.03	0.01	0.05
Education and child care	0.01	0.01	—	—	0.02	0.02	0.01	0.02	0.01
Education fees	—	—	—	—	—	—	—	—	—
Child care fees	0.02	0.01	—	0.01	0.02	0.01	0.02	0.01	0.01
<b>All groups</b>	<b>-0.4</b>	<b>-0.4</b>	<b>-0.4</b>	<b>-0.7</b>	<b>-0.6</b>	<b>-0.7</b>	<b>-0.5</b>	<b>-0.6</b>	<b>-0.5</b>
Selected State and local government charges(b)	0.14	0.03	0.16	0.05	0.19	0.09	0.05	0.16	0.11

(a) Base of each index: 1989-90 = 100.0

(b) Refer to paragraph 14 of the Explanatory Notes for a description of this series

## GROUP, SUB-GROUP &amp; EXPENDITURE CLASS, Weighted Average of Eight Capital Cities

Group, sub-group and expenditure class	INDEX NUMBERS(a).....			PERCENTAGE CHANGE BETWEEN.....		CONTRIBUTION TO TOTAL CPI (ALL GROUPS INDEX POINTS)		
	Sep Qtr	Jun Qtr	Sep Qtr	Jun Qtr	Sep Qtr	Jun Qtr	Sep Qtr	Change between
	1996	1997	1997	1997 and	1996 and	1997	1997	Jun Qtr 1997 and Sep Qtr 1997
<b>Food</b>	118.3	120.8	120.8	—	2.1	22.42	22.42	—
Dairy products	128.0	131.7	131.9	0.2	3.0	1.89	1.89	—
Milk and cream	139.6	144.3	145.3	0.7	4.1	1.21	1.22	0.01
Cheese	111.9	113.2	112.9	-0.3	0.9	0.42	0.42	—
Butter	99.4	99.8	99.7	-0.1	0.3	0.07	0.07	—
Other dairy products	120.3	126.4	123.8	-2.1	2.9	0.19	0.18	-0.01
Cereal products	131.4	134.4	135.0	0.4	2.7	2.68	2.70	0.02
Bread	142.6	146.4	149.1	1.8	4.6	1.20	1.23	0.03
Cakes and biscuits	123.3	125.0	125.0	—	1.4	0.93	0.93	—
Breakfast cereals	126.4	131.3	128.7	-2.0	1.8	0.31	0.30	-0.01
Other cereal products	120.8	122.9	121.2	-1.4	0.3	0.24	0.24	—
Meat and seafoods	108.5	108.7	109.7	0.9	1.1	3.48	3.51	0.03
Beef and veal	103.8	103.7	103.8	0.1	—	0.79	0.79	—
Lamb and mutton	125.0	122.6	125.7	2.5	0.6	0.50	0.51	0.01
Pork	110.9	113.9	114.1	0.2	2.9	0.21	0.21	—
Poultry	95.1	95.4	97.7	2.4	2.7	0.45	0.47	0.02
Bacon and ham	112.6	115.2	112.4	-2.4	-0.2	0.38	0.37	-0.01
Processed meat	113.0	113.3	114.3	0.9	1.2	0.78	0.79	0.01
Fish	100.8	101.4	103.1	1.7	2.3	0.37	0.38	0.01
Fresh fruit and vegetables	100.6	106.1	99.5	-6.2	-1.1	1.98	1.86	-0.12
Fresh fruit	123.8	121.4	117.2	-3.5	-5.3	0.96	0.93	-0.03
Fresh potatoes	78.8	108.8	110.2	1.3	39.8	0.23	0.23	—
Fresh vegetables	86.4	93.3	82.3	-11.8	-4.7	0.79	0.70	-0.09
Processed fruit and vegetables	115.1	116.5	116.0	-0.4	0.8	0.96	0.96	—
Processed fruit	115.6	120.2	120.0	-0.2	3.8	0.16	0.16	—
Fruit juice	120.5	121.5	121.6	0.1	0.9	0.50	0.50	—
Processed vegetables	107.2	107.4	106.0	-1.3	-1.1	0.31	0.30	-0.01
Soft drinks, ice cream and confectionery	129.1	132.3	133.8	1.1	3.6	3.60	3.64	0.04
Soft drinks and cordials	125.3	127.9	128.4	0.4	2.5	1.43	1.43	—
Ice cream and ice confectionery	141.1	147.5	144.1	-2.3	2.1	0.50	0.49	-0.01
Confectionery	130.1	133.0	136.7	2.8	5.1	1.67	1.71	0.04
Meals out and take away foods	118.2	120.4	120.7	0.2	2.1	5.74	5.75	0.01
Meals out	119.1	120.8	121.6	0.7	2.1	2.18	2.19	0.01
Take away foods	118.6	121.1	121.1	—	2.1	3.56	3.56	—
Other food	120.5	122.9	124.1	1.0	3.0	2.08	2.10	0.02
Eggs	140.2	144.1	143.9	-0.1	2.6	0.19	0.19	—
Sugar	103.5	101.2	102.4	1.2	-1.1	0.07	0.07	—
Jams, honey and sandwich spreads	134.0	136.4	137.9	1.1	2.9	0.19	0.19	—
Tea, coffee and food drinks	121.3	126.0	133.3	5.8	9.9	0.39	0.41	0.02
Food additives, sauces and spices	115.4	118.3	118.7	0.3	2.9	0.28	0.28	—
Margarine	114.1	115.6	111.7	-3.4	-2.1	0.15	0.15	—
Cooking oils and fats	128.0	128.2	125.0	-2.5	-2.3	0.12	0.11	-0.01
Other food	118.5	120.2	120.7	0.4	1.9	0.70	0.71	0.01
<b>Clothing</b>	107.2	107.3	107.1	-0.2	-0.1	6.71	6.70	-0.01
Men's and boys' clothing	111.3	111.9	111.3	-0.5	—	1.87	1.86	-0.01
Men's outer clothing	110.3	110.2	109.5	-0.6	-0.7	0.75	0.74	-0.01
Men's knitwear	114.0	115.0	115.0	—	0.9	0.18	0.18	—
Men's shirts	106.9	107.6	107.7	0.1	0.7	0.34	0.34	—
Men's underwear, nightwear and socks	113.0	114.6	113.7	-0.8	0.6	0.17	0.16	-0.01
Boys' clothing	113.5	114.5	113.4	-1.0	-0.1	0.44	0.44	—
Women's and girls' clothing	106.9	107.8	107.8	—	0.8	2.75	2.75	—
Women's outer clothing	104.5	105.5	105.5	—	1.0	1.75	1.75	—
Women's knitwear	106.3	106.8	106.8	—	0.5	0.21	0.21	—
Women's underwear, nightwear and hosiery	120.3	121.0	121.3	0.2	0.8	0.39	0.40	0.01
Girls' clothing	107.4	108.6	108.0	-0.6	0.6	0.39	0.39	—
Fabric and knitting wool	104.5	99.5	99.3	-0.2	-5.0	0.76	0.76	—

GROUP, SUB-GROUP & EXPENDITURE CLASS, Weighted Average of Eight Capital Cities *continued*

Group, sub-group and expenditure class	INDEX NUMBERS(a).....			PERCENTAGE CHANGE BETWEEN.....		CONTRIBUTION TO TOTAL CPI (ALL GROUPS INDEX POINTS)		
	Sep Qtr	Jun Qtr	Sep Qtr	Jun Qtr	Sep Qtr	Jun Qtr	Sep Qtr	Change between
	1996	1997	1997	1997	1997	1997	1997	Jun Qtr 1997 and Sep Qtr 1997
<b>Clothing</b> continued								
Footwear	98.4	98.9	98.6	-0.3	0.2	1.06	1.05	-0.01
Men's footwear	96.4	97.0	97.3	0.3	0.9	0.34	0.34	—
Women's footwear	102.2	102.0	100.4	-1.6	-1.8	0.48	0.47	-0.01
Children's footwear	95.0	96.7	97.9	1.2	3.1	0.24	0.25	0.01
Dry cleaning and shoe repairs	128.9	131.1	132.5	1.1	2.8	0.28	0.28	—
<b>Housing</b>								
Rents	113.9	116.4	117.2	0.7	2.9	5.65	5.69	0.04
Privately-owned dwelling rents	113.3	115.8	116.6	0.7	2.9	5.19	5.23	0.04
Government-owned dwelling rents	119.5	122.5	122.7	0.2	2.7	0.45	0.46	0.01
Home ownership	102.5	89.0	87.3	-1.9	-14.8	11.39	11.17	-0.22
Mortgage interest charges	90.3	69.9	66.5	-4.9	-26.4	6.09	5.80	-0.29
Local government rates and charges	132.4	133.1	135.7	2.0	2.5	2.67	2.72	0.05
House repairs and maintenance	118.3	119.0	119.8	0.7	1.3	2.09	2.11	0.02
House insurance	146.5	152.2	155.2	2.0	5.9	0.54	0.55	0.01
<b>Household equipment and operation</b>								
Fuel and light	121.0	121.4	122.6	1.0	1.3	2.75	2.77	0.02
Electricity	119.1	119.3	120.1	0.7	0.8	2.03	2.04	0.01
Gas	128.0	129.1	131.5	1.9	2.7	0.66	0.67	0.01
Other fuel	115.1	114.2	114.1	-0.1	-0.9	0.06	0.06	—
Furniture and floor coverings	116.3	118.1	116.8	-1.1	0.4	5.03	4.97	-0.06
Furniture	118.9	121.0	119.3	-1.4	0.3	4.06	4.00	-0.06
Floor coverings	108.7	109.8	109.6	-0.2	0.8	0.97	0.97	—
Appliances	110.1	109.8	109.4	-0.4	-0.6	1.73	1.72	-0.01
Household textiles	115.8	118.0	118.8	0.7	2.6	0.90	0.91	0.01
Bedding	117.0	122.0	122.0	—	4.3	0.41	0.41	—
Towels, linen and curtains	115.3	115.3	116.7	1.2	1.2	0.49	0.50	0.01
Household utensils and tools	105.8	104.9	103.6	-1.2	-2.1	1.29	1.28	-0.01
Tableware, glassware and cutlery	100.1	99.0	98.6	-2.4	-3.5	0.28	0.27	-0.01
Kitchen and cooking utensils	105.4	104.3	101.1	-3.1	-4.1	0.39	0.37	-0.02
Cleaning utensils	105.3	107.3	106.9	-0.4	1.5	0.10	0.10	—
Tools	109.2	108.0	108.5	0.5	-0.6	0.53	0.53	—
Household supplies and services	122.9	125.1	124.2	-0.7	1.1	4.86	4.82	-0.04
Household cleaning agents	124.2	125.1	120.4	-3.8	-3.1	0.81	0.78	-0.03
Household paper products	110.8	111.8	111.2	-0.5	0.4	0.52	0.52	—
Other household non-durables	121.5	122.8	123.0	0.2	1.2	1.02	1.03	0.01
Stationery	117.7	120.6	120.5	-0.1	2.4	0.56	0.56	—
Watches and clocks	131.0	132.4	132.9	0.4	1.5	0.17	0.17	—
Veterinary services	139.6	144.5	144.9	0.3	3.8	0.16	0.16	—
Pet foods	127.6	130.1	127.8	-1.8	0.2	0.61	0.60	-0.01
Travel goods	101.5	102.2	102.1	-0.1	0.6	0.28	0.28	—
House contents insurance	147.2	153.7	155.5	1.2	5.6	0.51	0.51	—
Repairs to appliances	130.0	135.3	137.0	1.3	5.4	0.22	0.22	—
Postal and telephone services	106.7	106.4	106.5	0.1	-0.2	1.83	1.83	—
Postal services	110.5	111.3	111.3	—	0.7	0.19	0.19	—
Telephone services	106.2	105.8	105.9	0.1	-0.3	1.64	1.64	—
Consumer credit charges	94.6	93.8	92.8	-1.1	-1.9	2.39	2.36	-0.03
<b>Transportation</b>								
Private motoring	121.9	122.2	122.6	0.3	0.6	17.98	18.03	0.05
Motor vehicles	119.4	112.9	114.1	1.1	-4.4	4.64	4.68	0.04
Automotive fuel	118.8	121.9	120.9	-0.8	1.8	5.58	5.54	-0.04
Vehicle insurance	135.1	141.6	143.4	1.3	6.1	2.98	3.02	0.04
Motoring charges	142.7	145.4	148.7	2.3	4.2	1.14	1.17	0.03
Tyres and tubes	105.9	106.6	106.4	-0.2	0.5	0.39	0.39	—
Vehicle servicing, repairs and parts	119.0	119.3	119.0	-0.3	—	3.24	3.24	—
Urban transport fares	147.8	152.0	153.5	1.0	3.9	1.59	1.61	0.02

Group, sub-group and expenditure class	INDEX NUMBERS(a).....			PERCENTAGE CHANGE BETWEEN.....		CONTRIBUTIONS TO TOTAL CPI (ALL GROUPS INDEX POINTS)		
	Sep Qtr	Jun Qtr	Sep Qtr	Jun Qtr	Sep Qtr	Jun Qtr	Sep Qtr	Change between
	1996	1997	1997	1997 and Sep Qtr 1997	1996 and Sep Qtr 1997	1997	1997	Jun Qtr 1997 and Sep Qtr 1997
<b>Tobacco and alcohol</b>	160.4	162.1	161.9	-0.1	0.9	11.12	11.11	-0.01
Alcoholic drinks	131.1	132.4	132.2	-0.2	0.8	6.36	6.35	-0.01
Beer	132.3	133.3	133.3	—	0.8	3.67	3.67	—
Wine	124.6	125.7	127.3	1.3	2.2	1.31	1.32	0.01
Spirits	133.7	136.1	133.6	-1.8	-0.1	1.38	1.36	-0.02
Cigarettes and tobacco	230.2	232.7	232.6	—	1.0	4.76	4.76	—
<b>Health and personal care</b>	145.0	154.0	148.6	-3.5	2.5	9.28	8.96	-0.32
Health services	160.0	173.6	164.5	-5.2	2.8	5.78	5.48	-0.30
Hospital and medical services	169.2	185.7	173.7	-6.5	2.7	4.72	4.41	-0.31
Optical services	119.1	121.3	122.0	0.6	2.4	0.22	0.22	—
Dental services	138.7	143.5	144.1	0.4	3.9	0.85	0.85	—
Personal care products	126.6	129.5	128.2	-1.0	1.3	2.54	2.51	-0.03
Pharmaceuticals	127.7	134.5	131.5	-2.2	3.0	1.02	0.99	-0.03
Toiletries and personal products	125.9	126.4	126.1	-0.2	0.2	1.52	1.52	—
Hairdressing services	123.2	128.0	128.1	0.1	4.0	0.97	0.97	—
<b>Recreation and education</b>	118.2	120.9	122.0	0.9	3.2	13.24	13.35	0.11
Books, newspapers and magazines	142.5	149.8	152.0	1.5	6.7	1.58	1.60	0.02
Recreational goods	99.0	96.5	95.8	-0.7	-3.2	2.62	2.60	-0.02
Video and sound equipment	80.5	76.7	75.4	-1.7	-6.3	0.73	0.72	-0.01
Records, cassettes and tapes	102.8	98.6	97.1	-1.5	-5.5	0.32	0.31	-0.01
Sports and photographic equipment and toys	109.5	108.3	108.1	-0.2	-1.3	1.57	1.57	—
Holiday travel and accommodation	102.1	102.7	104.7	1.9	2.5	2.72	2.77	0.05
Holiday travel and accommodation in Australia	101.6	104.8	106.7	1.8	5.0	1.53	1.56	0.03
Holiday travel and accommodation overseas	102.6	100.0	102.2	2.2	-0.4	1.19	1.21	0.02
Recreational services	132.2	136.3	138.0	1.2	4.4	3.63	3.68	0.05
Photographic services	114.0	115.5	115.4	-0.1	1.2	0.29	0.29	—
Repairs to recreational goods	118.9	123.9	124.4	0.4	4.6	0.14	0.14	—
Entertainment	135.1	139.5	141.4	1.4	4.7	3.19	3.24	0.05
Education and child care	142.3	151.2	151.8	0.4	6.7	2.69	2.70	0.01
Education fees	151.1	160.8	160.8	—	6.4	2.15	2.15	—
Child care fees	119.5	126.0	128.6	2.1	7.6	0.54	0.55	0.01
<b>All groups</b>	<b>120.1</b>	<b>120.2</b>	<b>119.7</b>	<b>-0.4</b>	<b>-0.3</b>	<b>120.2</b>	<b>119.7</b>	<b>-0.5</b>

(a) Base of each index: 1989-90 = 100.0

SPECIAL SERIES, Weighted Average of Eight Capital Cities

	INDEX NUMBERS(a).....			PERCENTAGE CHANGE BETWEEN.....		CONTRIBUTION TO TOTAL CPI (ALL GROUPS INDEX POINTS)		
	<i>Sep Qtr</i>	<i>Jun Qtr</i>	<i>Sep Qtr</i>	<i>Jun Qtr</i>	<i>Sep Qtr</i>	<i>Jun Qtr</i>	<i>Sep Qtr</i>	<i>Change between</i>
	1996	1997	1997	1997	1997	1997	1997	<i>Jun Qtr 1997</i> <i>and</i> <i>Sep Qtr 1997</i>
<b>All groups</b>	120.1	120.2	119.7	-0.4	-0.3	120.2	119.7	-0.5
<b>Selected components</b>								
Mortgage interest and consumer credit charges	91.9	75.8	73.0	-3.7	-20.6	8.48	8.16	-0.32
Goods component(b)	121.3	122.3	122.0	-0.2	0.6	73.92	73.76	-0.16
Services component(b)	118.3	116.9	116.2	-0.6	-1.8	46.22	45.94	-0.28
Selected State and local government charges(b)	128.7	129.8	131.6	1.4	2.3	7.99	8.10	0.11
<b>All groups excluding</b>								
Food	120.6	120.0	119.5	-0.4	-0.9	97.73	97.28	-0.45
Clothing	121.0	121.0	120.6	-0.3	-0.3	113.44	113.00	-0.44
Housing	122.7	124.8	124.4	-0.3	1.4	103.11	102.84	-0.27
Household equipment and operation	121.7	121.6	121.2	-0.3	-0.4	99.38	99.04	-0.34
Transportation	119.5	119.5	118.9	-0.5	-0.5	100.57	100.05	-0.52
Tobacco and alcohol	117.0	116.9	116.5	-0.3	-0.4	109.03	108.59	-0.44
Health and personal care	118.6	118.1	117.9	-0.2	-0.6	110.86	110.74	-0.12
Recreation and education	120.4	120.1	119.5	-0.5	-0.7	106.91	106.35	-0.56
Home ownership	122.4	124.4	124.2	-0.2	1.5	108.76	108.53	-0.23
Mortgage interest and consumer credit charges	123.3	125.4	125.2	-0.2	1.5	111.67	111.53	-0.14
Hospital and medical services	118.8	118.5	118.3	-0.2	-0.4	115.43	115.29	-0.14
Selected State and local government charges(b)	119.6	119.6	119.0	-0.5	-0.5	112.15	111.60	-0.55

(a) Base of each index: 1989-90 = 100.0

(b) Refer to paragraph 14 of the Explanatory Notes for a description of this series

## INTERNATIONAL COMPARISONS, All Groups Excluding Housing—Index Numbers(a)(b)

Period	United States of America	Japan	Germany	Canada	United Kingdom	Hong Kong	Korea, Republic of	Taiwan	Indonesia	Singapore	Australia	New Zealand
<b>1993-94</b>	114.8	107.9	113.2	112.0	122.0	140.1	130.4	114.2	137.8	110.9	113.5	109.4
<b>1994-95</b>	118.0	107.8	115.2	113.4	124.8	151.4	138.0	119.1	150.3	114.5	116.5	110.5
<b>1995-96</b>	120.9	107.3	116.3	116.0	128.3	160.8	144.4	122.5	163.7	116.0	121.1	111.9
<b>1996-97</b>	124.3	108.2	117.7	118.8	131.5	168.2	151.3	125.7	174.1	118.1	123.9	113.7
<b>1993</b>												
September	113.7	108.1	112.6	112.1	121.1	136.4	127.2	112.2	133.5	109.5	112.6	109.3
December	114.6	107.6	112.4	112.6	121.4	139.3	128.3	113.4	135.0	110.3	113.2	109.4
<b>1994</b>												
March	115.1	107.7	113.6	111.8	121.8	140.8	132.2	114.4	140.9	111.4	113.6	109.3
June	115.9	108.1	114.1	111.5	123.5	143.7	134.0	116.6	141.6	112.5	114.4	109.5
September	116.9	107.7	114.9	112.2	123.4	147.6	136.8	119.3	145.3	113.6	115.1	109.8
December	117.4	108.2	114.6	112.4	123.9	149.6	136.2	117.2	147.5	114.4	115.7	110.4
<b>1995</b>												
March	118.2	107.4	115.3	113.9	125.1	152.9	138.4	118.8	152.6	114.5	116.9	110.6
June	119.4	107.8	115.8	115.1	126.6	155.5	140.7	121.0	155.9	115.3	118.3	111.3
September	119.7	107.3	116.1	115.3	127.0	158.6	141.8	121.4	157.9	115.4	119.8	111.2
December	120.2	107.3	115.7	115.3	127.7	159.6	142.3	122.0	161.6	115.6	120.8	111.6
<b>1996</b>												
March	121.2	106.9	116.4	116.0	128.5	160.7	145.2	122.3	167.0	116.3	121.5	112.0
June	122.6	107.8	116.9	117.3	130.0	164.1	148.1	124.3	168.1	116.8	122.3	112.8
September	123.1	107.3	117.3	117.5	130.3	165.5	149.6	126.1	168.5	117.3	122.7	113.0
December	124.1	107.5	117.1	118.5	131.2	167.4	149.5	126.3	173.1	117.7	123.6	113.8
<b>1997</b>												
March	124.7	107.2	118.0	119.2	131.6	168.9	152.4	124.7	174.1	118.4	124.5	113.9
June	125.1	110.7	118.2	119.8	132.8	170.8	153.8	125.7	177.7	118.8	124.8	114.1
September	125.3	n.y.a.	119.3	n.y.a.	133.5	n.y.a.	n.y.a.	127.6	183.3	n.y.a.	124.4	114.4

(a) Base of each index: Year 1989-90 = 100.0

(b) Refer to paragraphs 15-19 of the Explanatory Notes for further information



## INTERNATIONAL COMPARISONS, All Groups Excluding Housing—Percentage Changes(a)

Period	United States of America	Japan	Germany	Canada	United Kingdom	Hong Kong	Korea, Republic of	Taiwan	Indonesia	Singapore	Australia	New Zealand
PERCENTAGE CHANGE (from previous year)												
<b>1993-94</b>	2.4	1.0	2.6	1.1	2.9	7.1	5.6	2.5	6.8	2.6	2.3	0.6
<b>1994-95</b>	2.8	-0.1	1.8	1.3	2.3	8.1	5.8	4.3	9.1	3.2	2.6	1.0
<b>1995-96</b>	2.5	-0.5	1.0	2.3	2.8	6.2	4.6	2.9	8.9	1.3	3.9	1.3
<b>1996-97</b>	2.8	0.8	1.2	2.4	2.5	4.6	4.8	2.6	6.4	1.8	2.3	1.6
PERCENTAGE CHANGE (from corresponding quarter of previous year)												
<b>1993</b>												
September	2.7	1.7	3.2	1.9	3.4	7.1	4.2	1.9	8.2	2.1	2.6	1.1
December	2.6	0.8	2.9	2.1	2.9	8.2	5.5	2.3	7.3	2.3	2.4	0.7
<b>1994</b>												
March	2.1	1.0	2.3	0.5	2.9	6.6	6.8	2.8	5.5	2.8	1.8	0.4
June	2.3	0.5	2.0	0.0	2.2	6.6	6.0	2.7	6.3	3.3	2.1	0.4
September	2.8	-0.4	2.0	0.1	1.9	8.2	7.4	6.3	8.8	3.8	2.2	0.5
December	2.4	0.6	2.0	-0.2	2.1	7.4	6.2	3.4	9.3	3.7	2.2	0.9
<b>1995</b>												
March	2.7	-0.3	1.5	1.9	2.7	8.6	4.7	3.8	8.3	2.8	2.9	1.2
June	3.0	-0.3	1.5	3.2	2.5	8.2	5.0	3.8	10.1	2.5	3.4	1.6
September	2.4	0.4	1.0	2.8	2.9	7.5	3.8	1.8	8.7	1.6	4.1	1.3
December	2.4	-0.8	1.0	2.6	3.1	6.7	4.5	4.1	9.6	1.1	4.4	1.1
<b>1996</b>												
March	2.5	-0.5	1.0	1.8	2.7	5.1	4.9	2.9	9.4	1.6	3.9	1.3
June	2.7	0.0	0.9	1.9	2.7	5.5	5.3	2.7	7.8	1.3	3.4	1.3
September	2.8	0.0	1.0	1.9	2.6	4.4	5.5	3.9	6.7	1.6	2.4	1.6
December	3.2	0.2	1.2	2.8	2.7	4.9	5.1	3.5	7.1	1.8	2.3	2.0
<b>1997</b>												
March	2.9	0.3	1.4	2.8	2.4	5.1	5.0	2.0	6.0	1.8	2.5	1.7
June	2.0	2.7	1.1	2.1	2.2	4.1	3.8	1.1	5.7	1.7	2.0	1.2
September	1.8	n.y.a.	1.7	n.y.a.	2.5	n.y.a.	n.y.a.	1.2	8.8	n.y.a.	1.4	1.3
PERCENTAGE CHANGE (from previous quarter)												
<b>1993</b>												
September	0.4	0.5	0.6	0.5	0.2	1.2	0.6	-1.1	0.2	0.5	0.5	0.2
December	0.8	-0.5	-0.2	0.4	0.2	2.1	0.9	1.1	1.1	0.7	0.5	0.1
<b>1994</b>												
March	0.4	0.1	1.1	-0.7	0.3	1.1	3.0	0.9	4.4	1.0	0.4	-0.1
June	0.7	0.4	0.4	-0.3	1.4	2.1	1.4	1.9	0.5	1.0	0.7	0.2
September	0.9	-0.4	0.7	0.6	-0.1	2.7	1.9	2.3	2.6	1.0	0.6	0.3
December	0.4	0.5	-0.3	0.2	0.4	1.4	-0.3	-1.8	1.5	0.6	0.5	0.5
<b>1995</b>												
March	0.7	-0.7	0.6	1.3	1.0	2.2	1.6	1.4	3.5	0.1	1.0	0.2
June	1.0	0.4	0.4	1.1	1.2	1.7	1.7	1.9	2.2	0.7	1.2	0.6
September	0.3	-0.5	0.3	0.2	0.3	2.0	0.8	0.3	1.3	0.1	1.3	-0.1
December	0.4	0.0	-0.3	0.0	0.6	0.6	0.4	0.5	2.3	0.2	0.8	0.4
<b>1996</b>												
March	0.8	-0.4	0.6	0.6	0.6	0.7	2.0	0.2	3.3	0.6	0.6	0.4
June	1.2	0.8	0.4	1.1	1.2	2.1	2.0	1.6	0.7	0.4	0.7	0.7
September	0.4	-0.5	0.3	0.2	0.2	0.9	1.0	1.4	0.2	0.4	0.3	0.2
December	0.8	0.2	-0.2	0.9	0.7	1.1	-0.1	0.2	2.7	0.3	0.7	0.7
<b>1997</b>												
March	0.5	-0.3	0.8	0.6	0.3	0.9	1.9	-1.3	2.3	0.6	0.7	0.1
June	0.3	3.3	0.2	0.5	0.9	1.1	0.9	0.8	0.3	0.3	0.2	0.2
September	0.2	n.y.a.	0.9	n.y.a.	0.5	n.y.a.	n.y.a.	1.5	3.2	n.y.a.	-0.3	0.4

(a) Refer to paragraphs 15-19 of the Explanatory Notes for further information

ALTERNATIVE MEASURES OF CONSUMER PRICE INFLATION, Index Numbers(a)(b)

PRIVATE SECTOR GOODS  
AND SERVICES(c).....

Period	All groups	All groups excluding Housing	All groups excluding interest and 'volatile items' (c)	Goods	Services	Total	Treasury Underlying Rate(c)
<b>1993-94</b>	110.4	113.5	115.2	113.9	110.8	113.1	112.7
<b>1994-95</b>	113.9	116.5	118.1	116.2	114.0	115.7	115.1
<b>1995-96</b>	118.7	121.1	122.4	120.6	118.6	120.1	118.8
<b>1996-97</b>	120.3	123.9	125.2	122.5	122.1	122.4	121.2
<b>1993</b>							
September	109.8	112.6	114.1	113.1	109.6	112.2	112.0
December	110.0	113.2	114.8	113.6	111.0	112.9	112.4
<b>1994</b>							
March	110.4	113.6	115.6	114.1	111.0	113.3	113.0
June	111.2	114.4	116.1	114.6	111.6	113.8	113.5
September	111.9	115.1	116.7	115.0	112.7	114.4	114.2
December	112.8	115.7	117.5	115.7	113.7	115.2	114.8
<b>1995</b>							
March	114.7	116.9	118.3	116.3	114.2	115.7	115.2
June	116.2	118.3	119.7	117.9	115.5	117.3	116.3
September	117.6	119.8	121.0	119.4	116.8	118.7	117.7
December	118.5	120.8	122.1	120.3	118.4	119.9	118.5
<b>1996</b>							
March	119.0	121.5	122.8	120.8	119.7	120.5	119.0
June	119.8	122.3	123.5	121.9	119.6	121.3	119.9
September	120.1	122.7	124.1	122.2	120.4	121.7	120.5
December	120.3	123.6	124.8	122.5	121.6	122.3	121.0
<b>1997</b>							
March	120.5	124.5	125.6	122.6	122.8	122.7	121.5
June	120.2	124.8	126.1	122.8	123.4	123.0	121.9
September	119.7	124.4	126.1	122.8	124.7	123.3	122.3

(a) Base of each index: Year 1989-90 = 100.0

(b) Refer to paragraphs 20-25 of the Explanatory Notes for further information

(c) Refer to paragraph 14 of the Explanatory Notes for a description of this series

## ALTERNATIVE MEASURES OF CONSUMER PRICE INFLATION, Percentage Changes(a)

PRIVATE SECTOR GOODS  
AND SERVICES(b).....

Period	All groups	All groups excluding Housing	All groups excluding interest and volatile items <sup>(b)</sup>	Goods	Services	Total	Treasury Underlying Rate <sup>(b)</sup>
PERCENTAGE CHANGE (from previous year)							
<b>1993-94</b>	1.8	2.3	2.8	2.7	1.7	2.4	2.1
<b>1994-95</b>	3.2	2.6	2.5	2.0	2.9	2.3	2.1
<b>1995-96</b>	4.2	3.9	3.6	3.8	4.0	3.8	3.2
<b>1996-97</b>	1.3	2.3	2.3	1.6	3.0	1.9	2.0
PERCENTAGE CHANGE (from corresponding quarter of previous year)							
<b>1993</b>							
September	2.2	2.6	3.1	3.3	0.9	2.7	2.2
December	1.9	2.4	2.9	2.9	1.6	2.5	2.1
<b>1994</b>							
March	1.4	1.8	2.7	2.5	1.9	2.3	2.1
June	1.7	2.1	2.4	2.1	2.1	2.1	2.0
September	1.9	2.2	2.3	1.7	2.8	2.0	2.0
December	2.5	2.2	2.4	1.8	2.4	2.0	2.1
<b>1995</b>							
March	3.9	2.9	2.3	1.9	2.9	2.1	1.9
June	4.5	3.4	3.1	2.9	3.5	3.1	2.5
September	5.1	4.1	3.7	3.8	3.6	3.8	3.1
December	5.1	4.4	3.9	4.0	4.1	4.1	3.2
<b>1996</b>							
March	3.7	3.9	3.8	3.9	4.8	4.1	3.3
June	3.1	3.4	3.2	3.4	3.5	3.4	3.1
September	2.1	2.4	2.6	2.3	3.1	2.5	2.4
December	1.5	2.3	2.2	1.8	2.7	2.0	2.1
<b>1997</b>							
March	1.3	2.5	2.3	1.5	2.6	1.8	2.1
June	0.3	2.0	2.1	0.7	3.2	1.4	1.7
September	-0.3	1.4	1.6	0.5	3.6	1.3	1.5
PERCENTAGE CHANGE (from previous quarter)							
<b>1993</b>							
September	0.5	0.5	0.6	0.8	0.3	0.6	0.6
December	0.2	0.5	0.6	0.4	1.3	0.6	0.4
<b>1994</b>							
March	0.4	0.4	0.7	0.4	0.0	0.4	0.5
June	0.7	0.7	0.4	0.4	0.5	0.4	0.4
September	0.6	0.6	0.5	0.3	1.0	0.5	0.6
December	0.8	0.5	0.7	0.6	0.9	0.7	0.5
<b>1995</b>							
March	1.7	1.0	0.7	0.5	0.4	0.4	0.3
June	1.3	1.2	1.2	1.4	1.1	1.4	1.0
September	1.2	1.3	1.1	1.3	1.1	1.2	1.2
December	0.8	0.8	0.9	0.8	1.4	1.0	0.7
<b>1996</b>							
March	0.4	0.6	0.6	0.4	1.1	0.5	0.4
June	0.7	0.7	0.6	0.9	-0.1	0.7	0.8
September	0.3	0.3	0.5	0.2	0.7	0.3	0.5
December	0.2	0.7	0.6	0.2	1.0	0.5	0.4
<b>1997</b>							
March	0.2	0.7	0.6	0.1	1.0	0.3	0.4
June	-0.2	0.2	0.4	0.2	0.5	0.2	0.3
September	-0.4	-0.3	0.0	0.0	1.1	0.2	0.3

(a) Refer to paragraphs 20-25 of the Explanatory Notes for further information

(b) Refer to paragraph 14 of the Explanatory Notes for a description of this series

## EXPLANATORY NOTES

### BRIEF DESCRIPTION OF THE CPI

**1** The Consumer Price Index (CPI) measures quarterly changes in the price of a 'basket' of goods and services which account for a high proportion of expenditure by the CPI population group (i.e. metropolitan wage and salary earner households). This 'basket' covers a wide range of goods and services, arranged in the following eight groups:

- food
- clothing
- housing
- household equipment and operation
- transportation
- tobacco and alcohol
- health and personal care and
- recreation and education.

Pensioners and other social welfare recipients are not included in the CPI population group and the index does not reflect concessional prices paid by these people such as subsidised government dwelling rents, public transport fares and the like.

**2** The capital city indexes measure price movements over time in each city individually. They do not measure differences in retail price levels between cities.

**3** Further information about the CPI is contained in a booklet entitled *A Guide to the Consumer Price Index* (6440.0) which is available from the ABS on request. A more detailed account is contained in *The Australian Consumer Price Index, Concepts, Sources and Methods* (6461.0), contained on the CD-ROM *Statistical Concepts Reference Library* (1361.0).

### PRICES

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

**5** In order to facilitate a more even spread of field collection workload the bulk of the items for which prices are collected quarterly are priced in the first two months of each quarter (i.e. July/August, October/November, January/February, April/May). With a few exceptions items priced in the third month are those subject to price changes at discrete points of time (e.g. electricity and postal charges); in these cases information about any changes in price during the quarter is obtained so that an average price for the whole quarter can be calculated.

### WEIGHTING PATTERN

**6** There are 107 expenditure classes (that is, groupings of like items) in the twelfth series CPI and each expenditure class has its own weight, or measure of relative importance. In calculating the index, price changes for the various expenditure classes are combined using these weights.

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

## EXPLANATORY NOTES

### ANALYSIS OF CPI CHANGES

**8** 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 changes in index points and percentage changes between any two periods:

All groups CPI: Weighted average of eight capital cities.

Index numbers:	
September Quarter 1997	119.7 (see Table 1)
less June Quarter 1997	120.2 (see Table 1)
Change in index points	-0.5
Percentage change =	$\frac{-0.5}{120.2} \times 100 = -0.4\%$

**9** Percentage changes are calculated to illustrate three different kinds of movements in index numbers:

- movements between consecutive financial years (where the index numbers for financial years are simple averages of the quarterly index numbers),
- movements between corresponding quarters of consecutive years, and
- movements between consecutive quarters.

**10** Table 6 provides a detailed analysis, for the weighted average of eight capital cities, of movements in the CPI since the previous quarter, including information on movements for groups, sub-groups and expenditure classes. It also shows the contribution which each makes to the total CPI. For instance, the dairy products sub-group contributed 1.89 index points to the total All groups index number of 119.7 for September Quarter 1997. The final column shows contributions to the change in All Groups index points by each group, sub-group and expenditure class.

**11** Table 7 provides summary information about a range of Special series in a similar format to that provided in Table 6.

**12** Information on the impact of changes in Selected State and local government charges on the CPI is included in Tables 5 and 7. Table 5 shows the contribution to the CPI made by changes in these charges for each capital city, while Table 7 shows index numbers for two special series 'Selected State and local government charges' and 'All groups excluding selected State and local government charges'.

### SPECIAL SERIES

**13** Various series are presented in this publication which are helpful for analytical purposes. These series are compiled by taking subsets of the CPI basket. A complete list of CPI groups, sub-groups and expenditure classes is contained in Tables 5 and 6.

**14** Some of the compiled series are self explanatory, such as 'All groups, excluding food'. Other series and their composition are described below:

*All Groups, goods component:* comprises the Food group (except Meals out), Clothing group (except Dry cleaning and Shoe repairs), Household equipment and operation group (except Veterinary services, House contents insurance, Repairs to appliances, Postal and telephone services and Consumer credit charges), Tobacco and alcohol group, Materials used in house repairs and maintenance, Motor vehicles, Automotive fuel, Tyres and tubes, Parts used in vehicle services and repairs, Personal care products, Books, Newspapers and magazines, and Recreational goods. The resulting series accounted for approximately 61% of the All groups CPI in the June quarter 1992.

*All Groups, services component:* comprises all items not included in the 'All groups, goods component'.

## EXPLANATORY NOTES

### SPECIAL SERIES *continued*

*Selected State and local government charges:* comprises Government-owned dwelling rents, Water and sewerage rates, Council property rates and charges, Electricity prices, Gas prices (Melbourne and Perth only), Motor vehicle third party insurance premiums (except Canberra and in part only in Sydney and Brisbane), Motor vehicle registration fees, Drivers' licence fees, Urban bus fares (government bus fares only in Sydney and Melbourne, council fares only in Brisbane), Urban rail and tram fares (not applicable in Hobart, Canberra and Darwin).

*All groups excluding interest and 'volatile items':* comprises the All groups CPI excluding: Fresh fruit and vegetables, Mortgage interest charges, Automotive fuel, and Consumer credit charges. The resulting series covers approximately 85% of the total CPI basket.

*Private sector goods and services:* in addition to the items excluded from the series "All groups excluding interest and 'volatile items'", also excludes: Government-owned dwelling rents, Fuel and light, Local government rates and charges, Postal and telephone services, Motoring charges, Urban transport fares, Health services, Pharmaceuticals, and Education and child care. The resulting series covers approximately 69% of the total CPI basket.

*Treasury underlying rate:* excludes items from the CPI basket whose prices are highly volatile, exhibit marked seasonal patterns or are largely affected by policy decisions – in addition to the items excluded from the series 'Private sector goods and services', the Treasury underlying rate also excludes Meat and seafoods, Clothing group, Tobacco and alcohol group; and Holiday travel and accommodation; but includes Motoring charges. The resulting series covers approximately 51% of the total CPI basket.

### INTERNATIONAL COMPARISONS

**15** In analysing price movements in Australia, an important consideration is Australia's performance relative to other countries. However, due to the many differences in the structure of the housing sector in different countries and in the way that housing is treated in their CPIs, a simple comparison of All groups (or headline) CPIs is often inappropriate. To provide a better basis for international comparisons, the Fourteenth International Conference of Labour Statisticians adopted a resolution which called for countries to 'provide for dissemination at the international level of an index which excludes shelter, in addition to the all-items index'.

**16** Table 8 presents indexes for selected countries on a basis consistent with the above resolution and comparable to the Australian series 'All groups excluding housing'. To facilitate comparisons all indexes in this table have, where necessary, been converted to a quarterly basis and re-referenced to a base of 1989-90 = 100.0.

**17** The statistics for Germany refer to Western Germany (Federal Republic of Germany) before the unification of Germany.

**18** From March quarter 1994 the statistics for New Zealand refer to 'all groups excluding housing and credit services'.

**19** In producing this table, the ABS is grateful for the assistance of the relevant national statistical agencies which have either directly supplied indexes for all items excluding shelter or data to enable their derivation.

### ALTERNATIVE MEASURES OF CONSUMER PRICE INFLATION

**20** The various uses of the CPI may be grouped into two major categories. The first relates to uses of the CPI to assess changes in the purchasing power of household incomes, particularly as input to income adjustment processes. The second relates to uses as a general measure of inflation.

**21** It is not possible to produce a single measure that is entirely suitable for both purposes, due to certain fundamental differences in requirements. For more details, see the Information Paper *The Australian Consumer Price Index, 12th Series Review* (6450.0).

## EXPLANATORY NOTES

**22** While the removal of shelter costs from the CPI serves to improve international comparability there is a need for other measures for some purposes. In particular, there is a requirement for measures which seek to remove temporary influences and one-off changes in order to focus on the 'underlying' inflation rate.

**23** There is no universally accepted methodology for deriving a measure of an 'underlying' inflation rate. The Reserve Bank of Australia (RBA) and the Commonwealth Department of the Treasury (Treasury) have developed several alternative measures which, while based on the CPI, exclude various components which have been assessed as contributing significant temporary influences from time to time.

**24** Table 10 presents the All groups CPI, All groups excluding housing (the series recommended for international comparisons), and a number of possible 'underlying' measures including the Treasury measure. A description of the Treasury 'underlying' inflation rate was published in the Appendix to the September quarter 1994 issue of this publication.

**25** No single series can be claimed to provide the ideal guide to 'underlying' inflation in every time period due to the variations in the sources of particular 'shocks'. Judgement will still be required in assessing the trend from period to period. However, Treasury and the RBA have agreed that the Treasury series provides the best available guide to 'underlying' inflation for macro-economic policy purposes.

### RELATED PUBLICATIONS

**26** Current publications produced by the ABS are listed in the *Catalogue of Publications and Products, Australia* (1101.0). The ABS also issues, on Tuesdays and Fridays, a *Release Advice* (1105.0) which lists publications to be released in the next few days. The Catalogue and Release Advice are available from any ABS office.

**27** Users may also wish to refer to the following publications:

- *The Australian Consumer Price Index: Concepts Sources and Methods* (6461.0), available on CD-ROM *Statistical Concept Reference Library* (1361.0)
- *A Guide to the Consumer Price Index* (6440.0)
- *Information Paper: The Australian Consumer Price Index: Treatment of Mortgage Interest Charges* (6442.0)
- *House Price Indexes: Eight Capital Cities* (6416.0)
- *Average Retail Prices of Selected Items Eight Capital Cities* (6403.0)
- *Information Paper: The Australian Consumer Price Index: 12th Series Review* (6450.0).

### UNPUBLISHED STATISTICS

**28** As well as the statistics included in this and related publications, the ABS may have other relevant unpublished data available. Inquiries should be made to Judy Henson on 02 6252 6251 or to any ABS office.

### SYMBOLS AND OTHER USAGES

- nil or rounded to zero
- n.a. not available
- n.y.a. not yet available
- r revised

## A P P E N D I X

### TREATMENT OF THE PRIVATE HEALTH INSURANCE INCENTIVE SCHEME

#### INTRODUCTION

The introduction of the Private Health Insurance Incentive Scheme (PHIIS) on 1 July 1997 has resulted in significant changes to the net health insurance premium paid by most insured persons. These changes have been introduced into the CPI for the September quarter 1997.

This Appendix provides a general explanation of why and how this scheme has been taken into account in the CPI.

Within the CPI, health insurance premiums represent approximately 70 per cent of expenditure in the expenditure class Hospital and medical services. They also represent 2.7 per cent of expenditure in the total CPI basket of goods and services. Consequently, any significant change to the price of health insurance premiums has a noticeable effect on the CPI.

#### THE PRIVATE HEALTH INSURANCE INCENTIVE SCHEME

The incentive scheme was designed to provide an incentive for people to take out private health insurance by providing a rebate on the annual cost of health insurance for individuals and families on lower incomes or by introducing an additional rate of medicare levy for individuals and families on higher incomes who do not have private health insurance. The incentive applies to hospital cover and ancillary cover separately. The details of eligibility for the scheme are:

People who are eligible for a rebate:

- single persons with a taxable income of less than \$35,000
- couples with a combined taxable income of less than \$70,000
- families with a combined taxable income of less than \$70,000 with one dependent child. This income threshold is increased by \$3,000 for each additional dependent child.

People who are subject to the additional rate of levy:

- single persons with a taxable income greater than \$50,000
- couples or families with a combined taxable income greater than \$100,000.

Rebates may be claimed either directly as a reduced premium from the health insurance funds or as a tax rebate through the tax system. The additional rate of levy is collected through the tax system as a higher rate of the existing Medicare levy.

#### TREATMENT OF THE REBATE IN THE CPI

Within a CPI framework, a price series for health insurance is required to answer the question:

'What is the change in *net* payments required to obtain the same level of private health insurance as that obtained in the previous period?'

The rebate from the PHIIS is targeted to a specific service and results in an effective reduction in premium for an eligible individual. The approach taken for CPI purposes is to treat the net cost of health insurance as the price of health insurance. Consequently, the impact of the PHIIS has been incorporated into the CPI.



## APPENDIX

### TREATMENT OF THE PRIVATE HEALTH INSURANCE INCENTIVE SCHEME

#### TREATMENT OF THE REBATE IN THE CPI *continued*

No specific action is taken to differentiate between the two means of receiving the rebate. Receipt of the rebate by direct reduction of the premium at the time of payment is an obvious price reduction to the individual. Indirect receipt of the rebate through the tax system is not so obvious as a price reduction. However, as the eligibility for the rebate is not related to the individual's liability for income tax, the rebate is not part of the general taxation system. The tax system is merely being used as a vehicle for monetary transfer. For CPI purposes the delay in receiving the rebate, which will occur through the tax system, does not count against the rebate being treated as a price reduction. The liability for the payment of the rebate occurs when the insurance premium is initially paid, with the individual choosing the mode of payment for the rebate.

Eligibility for, and the amount of, the rebate within the CPI target population depends on the income distribution of insured persons and the proportion of singles, couples and families within the population. This information has been estimated from the 1995 National Health Survey conducted by the ABS and Private Health Insurance Administration Council data.

#### TREATMENT OF ADDITIONAL LEVY IN THE CPI

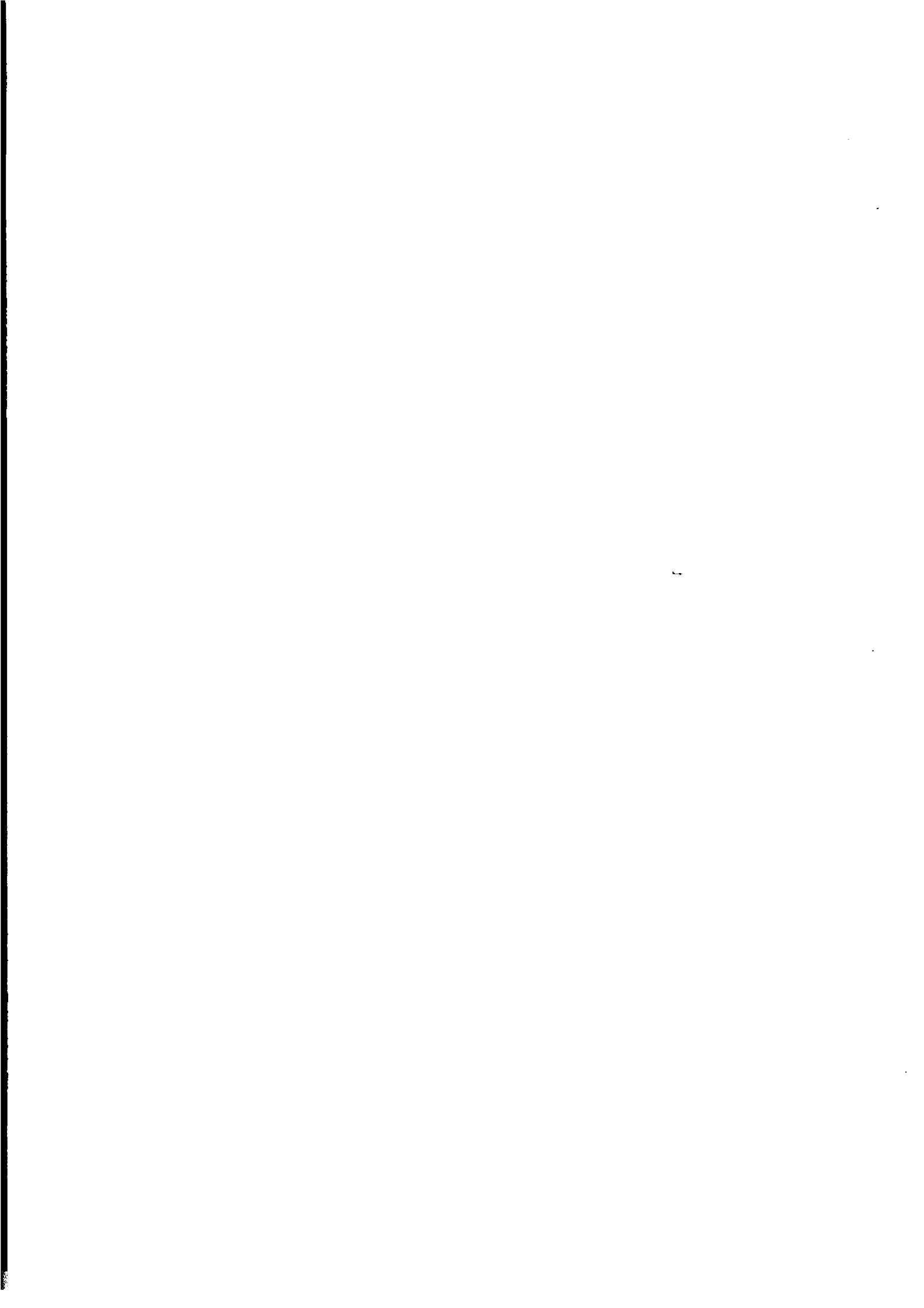
The current Medicare levy is not considered to be part of the price of hospital and medical services for CPI purposes because it is a compulsory payment, for which liability depends solely on the level of each individual's income (in other words a direct tax). The additional levy has been treated similarly. The liability for the additional levy is dependent on an individual's income level and on whether or not the individual has private health insurance. The fact that the individual receives no benefit from the payment of this additional levy further strengthens the argument for treating it as a direct tax (and therefore outside the scope of the CPI).

#### INTERPRETING PRICE MOVEMENT

In interpreting the movements in the CPI it is important to note that hospital and medical services are priced in the CPI on an 'average of quarter basis'. That is, the prices used in compiling the quarterly CPI are an average of prices applying throughout the quarter. As the PHIS was introduced on 1 July 1997, the changes from the incentive applied for the whole of the September quarter 1997.

Some health insurance funds have announced increases in health insurance effective from 1 October 1997. These will feed through to the hospital and medical services component of the December quarter 1997 CPI.





## FOR MORE INFORMATION...

The ABS publishes a wide range of information on Australia's economic and social conditions. A catalogue of publications and products is available from any of our offices (see below).

### INFORMATION CONSULTANCY SERVICES

Information tailored to special needs of clients can be obtained from the Information Consultancy Service available at ABS Offices (see below).

### ABS PRODUCTS

A large number of ABS products is available from the ABS Bookshops (see below). The ABS also provides a subscription service – you can telephone the ABS Subscription Service Australia wide toll free on 1300 3663 23.

### ELECTRONIC SERVICES

A large range of data is available via on-line services, diskette, magnetic tape, tape cartridge and CD ROM. For more details about our electronic data services, contact any ABS office (see below) or e-mail us at:

\* [client.services@abs.gov.au](mailto:client.services@abs.gov.au)

### GENERAL SALES AND INQUIRIES

- \* Sydney 02 9268 4611
  - \* Melbourne 03 9615 7755
  - \* Brisbane 07 3222 6351
  - \* Perth 08 9360 5140
  - \* Adelaide 08 8237 7100
  - \* Hobart 03 6222 5800
  - \* Darwin 08 8943 2111
  - \* Canberra 02 6252 6627
- Information Services, ABS  
PO Box 10, Belconnen ACT 2616



2640100009978  
ISSN 1031-0207

RRP \$16.50