

# PRICE INDEX OF MATERIALS USED IN HOUSE BUILDING

SIX STATE  
CAPITAL  
CITIES

EMBARGO: 11:30AM (CANBERRA TIME) TUES 5 AUG 1997

## All groups

Base: 1989-90 = 100.0

Index

118

116

114

112

110

108

Jun 1993 Jun 1994 Jun 1995 Jun 1996 Jun 1997

## All groups

Monthly % change

%

0.50

0.00

-0.50

A J A O D F A J  
1996 1997

## JUNE KEY FIGURES

|  | % change<br>May 97 to<br>Jun 97 | % change<br>Jun 96 to<br>Jun 97 |
|--|---------------------------------|---------------------------------|
| Weighted average of six State capital cities | 0.1                             | 1.4                             |
| Sydney                                       | 0.3                             | 1.2                             |
| Melbourne                                    | 0.0                             | 0.8                             |
| Brisbane                                     | 0.2                             | 2.4                             |
| Adelaide                                     | 0.3                             | 3.0                             |
| Perth  | 0.0                             | 0.9                             |
| Hobart                                       | 0.0                             | -0.3                            |

## JUNE KEY POINTS

### WEIGHTED AVERAGE INDEX

- An increase in prices for plastic pipes and fittings was the main contributor to the small rise in the index. This was offset slightly by a decrease in prices for cupboards and fittings.

**NOTE:**  
See 'Planned changes  
to this publication'  
on Page 2.

### CAPITAL CITIES INDEXES

- Prices for plastic pipes and fittings increased in all cities except Hobart which recorded no change.
- Cupboards and fittings prices decreased in Melbourne with no changes recorded in all other cities.

## INQUIRIES

- For further information about these and related statistics, contact Robert Adams on 06 252 6198, or any ABS Office.

# NOTES

## FORTHCOMING ISSUES

*ISSUE (Quarter)*

*RELEASE DATE*

September 1997

20 October 1997

December 1997

27 January 1998

\*\*\*\*\*

## CHANGES IN THIS ISSUE

There are no changes in this issue.

\*\*\*\*\*

## PLANNED CHANGES TO THIS PUBLICATION

As a result of measures in the 1997/98 Federal Budget to reduce ABS running costs, the frequency of compilation and publication of the producer and international trade price indexes will be reduced from monthly to quarterly, thereby putting the statistics on the same frequency as the Consumer Price Index. This issue will be the last monthly release of this publication. Commencing with the September quarter 1997, the publication will be released on a quarterly basis.

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W. McLennan  
Australian Statistician

## HOUSE BUILDING MATERIALS PRICE INDEX(a)

| Period         | Weighted<br>average of<br>six State<br>capital cities | Sydney | Melbourne | Brisbane | Adelaide | Perth | Hobart |
|----------------|---|--------|-----------|----------|----------|-------|--------|
| <b>1994-95</b> | 115.4   | 115.0  | 115.9     | 115.9    | 118.8    | 112.7 | 117.3  |
| <b>1995-96</b> | 115.7   | 115.9  | 115.4     | 115.1    | 118.2    | 114.7 | 120.7  |
| <b>1996-97</b> | 116.1   | 116.3  | 115.3     | 115.3    | 120.6    | 115.3 | 120.2  |
| <b>1996</b>    |   |        |           |          |          |       |        |
| April          | 115.3   | 116.0  | 114.9     | 114.2    | 118.3    | 114.1 | 120.9  |
| May            | 115.6   | 116.5  | 115.4     | 113.8    | 118.3    | 114.8 | 120.5  |
| June           | 115.5   | 116.1  | 115.0     | 114.1    | 118.3    | 114.8 | 120.5  |
| July           | 115.5   | 116.0  | 114.9     | 114.1    | 119.3    | 114.9 | 120.6  |
| August         | 115.7   | 116.1  | 115.1     | 114.5    | 119.6    | 115.0 | 120.5  |
| September      | 115.5   | 115.6  | 114.6     | 114.5    | 119.8    | 115.0 | 120.5  |
| October        | 115.7   | 115.7  | 114.9     | 114.7    | 120.3    | 115.1 | 119.8  |
| November       | 115.8   | 115.8  | 115.2     | 114.8    | 120.4    | 115.0 | 119.7  |
| December       | 115.9   | 115.8  | 115.4     | 115.0    | 120.4    | 115.0 | 120.0  |
| <b>1997</b>    |   |        |           |          |          |       |        |
| January        | 115.8   | 115.9  | 114.7     | 115.1    | 120.5    | 115.1 | 120.1  |
| February       | 116.0   | 116.1  | 115.2     | 115.0    | 120.7    | 115.4 | 120.2  |
| March          | 116.4   | 116.1  | 115.5     | 116.0    | 121.1    | 115.5 | 120.1  |
| April          | 116.8   | 117.3  | 115.7     | 116.0    | 121.5    | 115.6 | 120.1  |
| May            | 117.0   | 117.2  | 115.9     | 116.6    | 121.4    | 115.8 | 120.1  |
| June           | 117.1   | 117.5  | 115.9     | 116.8    | 121.8    | 115.8 | 120.1  |

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

# HOUSE BUILDING MATERIALS PRICE INDEX(a), Percentage Changes

| Period  | Weighted<br>average of<br>six State<br>capital cities | Sydney | Melbourne | Brisbane | Adelaide | Perth | Hobart |
|---|---|--------|-----------|----------|----------|-------|--------|
| PERCENTAGE CHANGE (from previous year)                        |   |        |           |          |          |       |        |
| 1994-95   | 3.0   | 3.3    | 3.4       | 2.1      | 1.5      | 3.3   | 4.0    |
| 1995-96   | 0.3   | 0.8    | -0.4      | -0.7     | -0.5     | 1.8   | 2.9    |
| 1996-97   | 0.3   | 0.3    | -0.1      | 0.2      | 2.0      | 0.5   | -0.4   |
| PERCENTAGE CHANGE (from corresponding month of previous year) |   |        |           |          |          |       |        |
| <b>1996</b>   |   |        |           |          |          |       |        |
| April   | -0.9  | 0.3    | -1.9      | -2.1     | -0.2     | 0.4   | 1.7    |
| May   | -1.0  | 0.4    | -2.0      | -2.7     | -0.6     | 0.2   | 0.6    |
| June  | -0.7  | -0.5   | -0.9      | -1.9     | -0.6     | 0.3   | 0.7    |
| July  | -0.8  | -0.6   | -1.1      | -1.9     | 0.5      | 0.1   | -0.1   |
| August  | -0.4  | -0.1   | -0.8      | -1.5     | 1.0      | -0.1  | -0.2   |
| September   | -0.5  | -0.5   | -0.9      | -1.5     | 1.4      | 0.0   | -0.2   |
| October   | -0.1  | 0.0    | -0.4      | -1.1     | 1.8      | 0.0   | -0.8   |
| November  | 0.2   | 0.3    | 0.0       | -0.5     | 2.1      | 0.1   | -1.0   |
| December  | 0.3   | 0.3    | 0.0       | -0.1     | 2.1      | 0.3   | -0.5   |
| <b>1997</b>   |   |        |           |          |          |       |        |
| January   | 0.2   | 0.3    | -0.6      | 0.3      | 2.1      | 0.3   | -0.7   |
| February  | 0.6   | 0.5    | 0.1       | 0.5      | 2.4      | 0.8   | -0.3   |
| March   | 1.1   | 0.6    | 0.6       | 1.8      | 2.5      | 1.0   | -0.2   |
| April   | 1.3   | 1.1    | 0.7       | 1.6      | 2.7      | 1.3   | -0.7   |
| May   | 1.2   | 0.6    | 0.4       | 2.5      | 2.6      | 0.9   | -0.3   |
| June  | 1.4   | 1.2    | 0.8       | 2.4      | 3.0      | 0.9   | -0.3   |
| PERCENTAGE CHANGE (from previous month)                       |   |        |           |          |          |       |        |
| <b>1996</b>   |   |        |           |          |          |       |        |
| April   | 0.2   | 0.5    | 0.1       | 0.2      | 0.2      | -0.3  | 0.4    |
| May   | 0.3   | 0.4    | 0.4       | -0.4     | 0.0      | 0.6   | -0.3   |
| June  | -0.1  | -0.3   | -0.3      | 0.3      | 0.0      | 0.0   | 0.0    |
| July  | 0.0   | -0.1   | -0.1      | 0.0      | 0.8      | 0.1   | 0.1    |
| August  | 0.2   | 0.1    | 0.2       | 0.4      | 0.3      | 0.1   | -0.1   |
| September   | -0.2  | -0.4   | -0.4      | 0.0      | 0.2      | 0.0   | 0.0    |
| October   | 0.2   | 0.1    | 0.3       | 0.2      | 0.4      | 0.1   | -0.6   |
| November  | 0.1   | 0.1    | 0.3       | 0.1      | 0.1      | -0.1  | -0.1   |
| December  | 0.1   | 0.0    | 0.2       | 0.2      | 0.0      | 0.0   | 0.3    |
| <b>1997</b>   |   |        |           |          |          |       |        |
| January   | -0.1  | 0.1    | -0.6      | 0.1      | 0.1      | 0.1   | 0.1    |
| February  | 0.2   | 0.2    | 0.4       | -0.1     | 0.2      | 0.3   | 0.1    |
| March   | 0.3   | 0.0    | 0.3       | 0.9      | 0.3      | 0.1   | -0.1   |
| April   | 0.3   | 1.0    | 0.2       | 0.0      | 0.3      | 0.1   | 0.0    |
| May   | 0.2   | -0.1   | 0.2       | 0.5      | -0.1     | 0.2   | 0.0    |
| June  | 0.1   | 0.3    | 0.0       | 0.2      | 0.3      | 0.0   | 0.0    |

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



# HOUSE BUILDING MATERIALS PRICE INDEX, Contribution to All Groups Index(a)

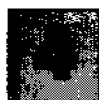
| Category  | May<br>1997 | June<br>1997 | Change |
|---|-------------|--------------|--------|
| Weighted average of six State capital cities  | 117.0       | 117.1        | 0.1    |
| GROUPS: Contribution to Weighted average of six State capital cities index (index points) |             |              |        |
| Concrete mix, cement and sand   | 8.49        | 8.51         | 0.02   |
| Cement products   | 6.77        | 6.76         | -0.01  |
| Ceramic products(b)   | 15.14       | 15.20        | 0.06   |
| Timber, board and joinery   | 32.13       | 32.02        | -0.11  |
| Steel products  | 5.95        | 5.95         | 0.00   |
| Other metal products  | 18.35       | 18.36        | 0.01   |
| Plumbing products(c)  | 8.17        | 8.30         | 0.13   |
| Electrical equipment(d)   | 4.36        | 4.35         | -0.01  |
| Installed appliances  | 5.31        | 5.35         | 0.04   |
| Other materials   | 12.27       | 12.28        | 0.01   |

(a) For an explanation of this table see paragraph 15 of the Explanatory Notes

(b) Previously 'Clay bricks, tiles, etc'

(c) Previously 'Plumbing fixtures, etc'

(d) Previously 'Electrical installation materials'



# HOUSE BUILDING MATERIALS PRICE INDEX(a), By Materials Group

| Period                                       | Concrete<br>mix, cement<br>and sand | Cement<br>products | Ceramic<br>products(b) | Timber,<br>board and<br>joinery | Steel<br>products | Other<br>metal<br>products | Plumbing<br>products(c) | Electrical<br>equipment(d) | Installed<br>appliances | Other<br>materials |
|--|-------------------------------------|--------------------|------------------------|---------------------------------|-------------------|----------------------------|-------------------------|----------------------------|-------------------------|--------------------|
| WEIGHTED AVERAGE OF SIX STATE CAPITAL CITIES |                                     |                    |                        |                                 |                   |                            |                         |                            |                         |                    |
| <b>1994-95</b>                               | 116.6                               | 114.7              | 114.3                  | 118.8                           | 113.6             | 110.1                      | 110.6                   | 109.0                      | 121.8                   | 114.9              |
| <b>1995-96</b>                               | 113.4                               | 116.0              | 113.7                  | 116.4                           | 115.6             | 112.9                      | 113.8                   | 115.9                      | 124.6                   | 117.7              |
| <b>1996-97</b>                               | 112.8                               | 116.6              | 113.1                  | 116.2                           | 118.3             | 113.5                      | 114.5                   | 115.1                      | 128.7                   | 119.5              |
| <b>1996</b>                                  |                                     |                    |                        |                                 |                   |                            |                         |                            |                         |                    |
| April  | 112.3                               | 115.3              | 112.7                  | 115.7                           | 116.6             | 113.8                      | 112.6                   | 114.9                      | 125.1                   | 118.2              |
| May  | 111.8                               | 115.1              | 113.1                  | 116.2                           | 116.0             | 113.6                      | 114.7                   | 115.3                      | 126.4                   | 117.9              |
| June   | 111.5                               | 115.0              | 113.0                  | 116.0                           | 115.6             | 113.1                      | 114.9                   | 115.3                      | 126.9                   | 118.3              |
| July   | 112.2                               | 116.0              | 113.1                  | 116.3                           | 115.7             | 112.0                      | 114.6                   | 115.5                      | 127.4                   | 118.4              |
| August                                       | 112.1                               | 116.5              | 113.0                  | 116.2                           | 117.9             | 112.3                      | 114.8                   | 115.6                      | 127.6                   | 118.7              |
| September                                    | 111.9                               | 116.6              | 112.6                  | 115.7                           | 118.0             | 112.8                      | 113.5                   | 115.4                      | 127.6                   | 118.7              |
| October                                      | 112.1                               | 116.5              | 112.5                  | 115.9                           | 117.9             | 113.4                      | 113.6                   | 115.2                      | 128.0                   | 118.9              |
| November                                     | 112.3                               | 116.6              | 113.2                  | 116.0                           | 118.1             | 113.3                      | 113.3                   | 114.4                      | 128.5                   | 119.2              |
| December                                     | 112.6                               | 116.5              | 113.0                  | 116.2                           | 118.1             | 113.4                      | 113.4                   | 114.6                      | 128.6                   | 119.1              |
| <b>1997</b>                                  |                                     |                    |                        |                                 |                   |                            |                         |                            |                         |                    |
| January                                      | 112.6                               | 117.0              | 112.9                  | 115.5                           | 118.2             | 113.6                      | 113.2                   | 114.5                      | 129.7                   | 119.1              |
| February                                     | 113.3                               | 116.6              | 113.1                  | 115.6                           | 118.6             | 114.8                      | 113.7                   | 115.0                      | 129.5                   | 118.8              |
| March  | 113.2                               | 117.0              | 113.0                  | 116.4                           | 119.2             | 114.4                      | 113.8                   | 114.8                      | 129.4                   | 119.8              |
| April  | 113.4                               | 116.7              | 113.2                  | 117.0                           | 119.3             | 114.3                      | 116.0                   | 115.3                      | 128.9                   | 120.7              |
| May  | 114.0                               | 116.5              | 113.7                  | 117.0                           | 119.1             | 114.3                      | 115.9                   | 115.6                      | 129.2                   | 121.2              |
| June   | 114.2                               | 116.3              | 114.1                  | 116.6                           | 119.1             | 114.4                      | 117.7                   | 115.5                      | 130.1                   | 121.3              |

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

(b) Previously 'Clay bricks, tiles, etc'

(c) Previously 'Plumbing fixtures, etc'

(d) Previously 'Electrical installation materials'

## EXPLANATORY NOTES

### INTRODUCTION

**1** This publication presents index numbers measuring changes in the prices of selected materials used in the construction of houses in the Statistical Division for each State capital city — the *Price Index of Materials Used in House Building*. It is calculated on a reference base of 1989–90 = 100.0 for the six State capital cities.

**2** Index numbers for the current month and the previous three months are preliminary and subject to revision.

### SCOPE

**3** A house is defined as a detached building predominantly used for long-term residential purposes and consisting of only one dwelling unit. The index does not represent buildings of any kind other than detached houses.

### ITEMS AND WEIGHTS

**4** The index is a fixed weights index. The items and weights were derived from reported values of each material used in selected representative houses constructed in the 3 years ending 1992–93. Each capital city has an individual weighting pattern which reflects the differences in the relative usage of different materials in the various cities and differences in price levels between the cities.

**5** The weighting pattern for the six State capital cities is set out in Appendix A of the December 1995 issue of this publication.

### PRICE MEASUREMENT

**6** Prices used relate to precise standards for each material. The aim of the index is to measure price changes for materials of constant quality.

**7** In general, the point of pricing is 'delivered on site'. However, in some cases it is necessary to use the nearest realistic price available, e.g. that for materials supplied and fixed. Prices are obtained in each capital city from representative suppliers of materials used in house building. In the main, the prices are collected at the midpoint of the month to which the index relates.

**8** As far as possible, actual transaction prices are used in this index — that is, prices actually paid by building contractors or sub-contractors to material suppliers for materials delivered on building sites. The actual price paid for anything can be described in various ways. Instead of being described as a single price (as usually happens in retail shops) a price for a building material may be described in terms of the components that make up the price — for instance 'list price plus sales tax', 'suppliers price plus freight', 'basic price less (particular types of) discount' and so on. It is these net prices that the ABS aims to use in compiling this price index.

**9** The ABS asks respondent businesses to report details of the discounts they offer so that actual transaction prices can be calculated. However, as building material suppliers offer many different types of discounts to buyers (e.g. trade discounts, settlement discounts, quantity discounts, competitive discounts), the identification of discounts and the way in which they are applied by sellers pose considerable problems for the ABS. To the extent that discounts are identified and measured, their effects are taken into account in calculating the index. Sometimes new discounts, or changes in the way discounts are applied by sellers, are identified only after index numbers for a period have been published. In such cases, or in any other case where it has been discovered that incorrect prices have been used in compiling the indexes, revisions to index numbers will occur in subsequent issues of this publication.

**10** Sales taxes levied on building materials are included in the prices used to compile this index. Materials used in the construction of Commonwealth, State and Local Government owned houses are exempt from sales tax. At any particular time, when there is a change in the rate of sales tax on building materials, the index is calculated to take into account the proportions of materials sold subject to sales tax at that time and the proportion of materials exempt from sales tax.

# EXPLANATORY NOTES

## INDEX NUMBERS

**11** Index numbers for financial years are simple averages of the monthly index numbers.

**12** The separate city indexes measure price movements within each capital city individually. They enable comparisons to be drawn between cities as to *differences in degree of price movement* from period to period. They do not measure differences in price levels between cities.

## ANALYSIS OF INDEX CHANGES

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

**14** 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:

|  |                                      |               |  |
|--|--------------------------------------|---------------|--|
| Weighted average of six State capital cities index numbers — |                                      |               |  |
| June 1997  | 117.1                                | (See Table 1) |  |
| less June 1996   | 115.5                                | (See Table 1) |  |
| Change in index points                                       | 1.6                                  |               |  |
| Percentage change  | $\frac{1.6}{115.5} \times 100 = 1.4$ |               |  |

**15** Table 3 provides an analysis of the contribution which selected categories of materials make to the total Weighted average of six State capital cities index. For example, Timber, board and joinery contributed 32.02 index points to the total Weighted average of the six State capital cities index number of 117.1 for June 1997 and -0.11 index points to the net change of 0.1 index points.

## FURTHER INFORMATION

**16** The Appendix to the December 1995 issue of this publication contains a more detailed description of the index and its relationship with previous indexes.

**17** Further information on the index is presented in the publication *Producer and Foreign Trade Price Indexes: Concepts, Sources and Methods* (6419.0).

## RELATED PUBLICATIONS

**18** Users may also wish to refer to the following price index publications which are available from ABS Bookshops:

- *Price Index of Materials Used in Building Other than House Building, Six State Capital Cities* (6407.0)
- *Price Indexes of Materials Used in Manufacturing Industries, Australia* (6411.0)
- *Price Indexes of Articles Produced by Manufacturing Industry, Australia* (6412.0).

**19** Other ABS publications that may be of interest include:

- *Award rates of Pay Indexes, Australia* (6312.0)
- *Average Weekly Earnings, States and Australia* (6302.0).

**20** 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.

## UNPUBLISHED STATISTICS

**21** 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 Robert Adams on 06 252 6198 or to any ABS office.

## SYMBOLS AND OTHER USAGES

r figure or series revised since previous issue.





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