

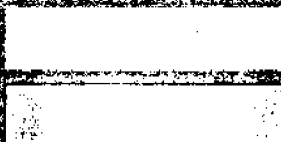


December 1996

EMBARGO: 11.30 AM (CANBERRA TIME) FRI 7 FEB 1997

# Price Index of Western Australian Produced Hardwoods

*[Faint, illegible text, likely a table of contents or index]*



# NOTES

## FORTHCOMING ISSUES

ISSUE

RELEASE DATE

March 1997

9 May 1997

## ABOUT THIS PUBLICATION

This publication, prepared by the Australian Bureau of Statistics on behalf of the Western Australian Department of Conservation and Land Management and the Forest Industries Federation (WA) Inc, presents index numbers measuring changes in prices of Western Australian sawn hardwood timber.

The Price Index of Western Australian Produced Hardwoods (WAPHI) measures the change in prices of Western Australian sawn hardwoods. Individual price indexes are also published for each of the major hardwood timbers produced and sold by the Western Australian timber industry, namely:

- Green jarrah
- Green karri
- Dry jarrah

## SYMBOLS AND OTHER USAGES

r            figure or series revised since previous issue  
..            not applicable  
n.a.        not available  
—           nil or rounded to zero

## INQUIRIES

For information about other ABS statistics and services, please refer to the back of this publication.

For further information about these statistics, contact Penny Tap or Bob Pearse on Perth (09) 360 5142.

P. C. Kelly  
Regional Director, Western Australia

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# SUMMARY OF FINDINGS

## KEY FIGURES

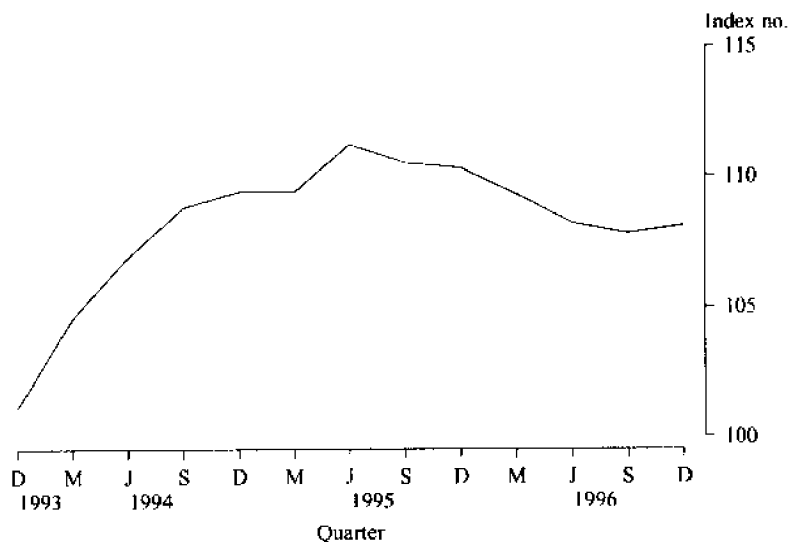
	Sep qtr 96	Dec qtr 96	Sep qtr 96 to Dec qtr 96
	Index number	Index number	% change
WA Produced Hardwoods	107.8	108.1	0.3
Green Jarrah Produced	107.3	108.6	1.2
Green Karri Produced	102.8	101.6	-1.2
Dry Jarrah Produced	112.1	112.9	0.7
Dry Karri Produced	n.a.	n.a.	n.a.

## PRICE INDEXES

### PRICE INDEX OF WESTERN AUSTRALIAN PRODUCED HARDWOODS

The Western Australian Produced Hardwoods index (WAPHI) decreased by 2.0% for the year ended December quarter 1996 however, between September quarter and December quarter 1996, the index increased by 0.3%, the first quarterly increase since June 1995. Despite a continued high level of competition between suppliers, some price increases have been introduced this quarter, sufficient to cause the slight upturn in the index.

Price index of WAPHI

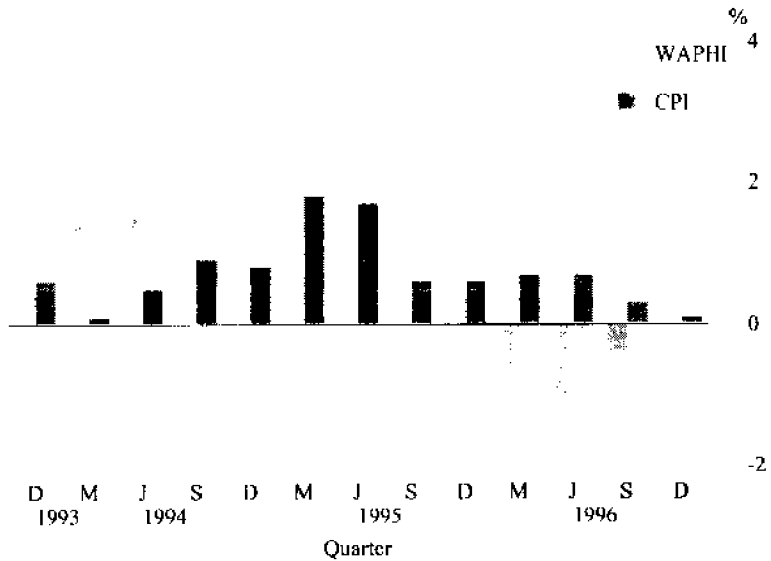


**SUMMARY OF FINDINGS** *continued*

Over recent quarters, the WAPHI has not displayed the same trend as the Consumer Price Index (CPI). For example, the CPI for Perth, All Groups increased by 1.8% from the December quarter 1995 to the December quarter 1996.

The graph below shows a comparison between the percentage changes for the CPI for Perth and the WAPHI since December quarter 1993.

Comparison with CPI



**PRICE INDEXES OF GREEN JARRAH AND GREEN KARRI PRODUCED**

The index for green jarrah has increased this quarter by 1.2%. This follows a decrease of 0.1% in September quarter 1996. Prior to September 1996 the index had decreased or remained stable since June 1995. The index for green karri fell in the December quarter 1996 by 1.2% which continues the decline in price since September quarter 1995.

The decline in the housing industry has had a significant impact on prices for green jarrah and green karri over the last 12 months, as the greatest market for these timbers is for roofing in house construction in Perth.

The index of house approvals for the Perth Statistical Division increased 9.4% between the June quarter 1996 and the September quarter 1996. In the 12 months from September quarter 1995 to September quarter 1996 the index increased by 9.7%.

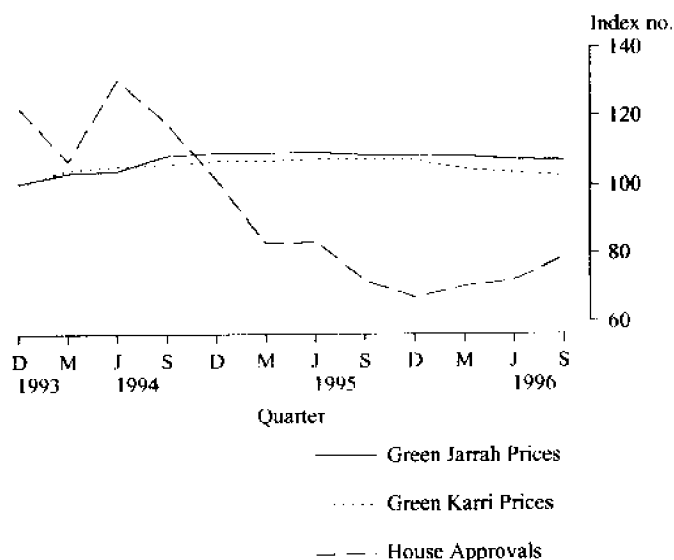
Another significant use of green hardwoods in Western Australia is for railway sleepers and crossing timber.

## SUMMARY OF FINDINGS *continued*

At the time of release of this publication there was some doubt over the future release of *Dwelling Unit Commencements Reported by Approving Authorities Western Australia (8741.5)* so the following graph has been changed to show the changes in the number of house approvals in Perth Statistical Division (sourced from *Building Approvals, Western Australia (8731.5)*) and the movements in the price indexes for green jarrah and green karri. The low demand for housing has suppressed or decreased prices for hardwood timber while retail prices generally, as measured by the CPI, have increased as evident from the preceding graph.

Generally, suppliers revise the prices of jarrah and karri to the local market at the same time, usually applying a uniform percentage price change to the same size, length and stress grade of hardwood timber, irrespective of variety. However, prices for interstate sales and exports of green jarrah and green karri are sometimes independently determined and this can affect the normally close correlation of price movements for green jarrah and green karri.

Comparison of timber indexes and house approvals



### PRICE INDEX OF DRY JARRAH PRODUCED

The index for dry jarrah increased by 0.7% between September quarter 1996 and December quarter 1996 but fell by 0.8% for the year ended December quarter 1996. This follows either a decline in price or no change in each of the previous five quarters.

### PRICE INDEX OF DRY KARRI PRODUCED

Although an index of dry karri is compiled by the ABS and the price movements are included in the compilation of the Price Index of Western Australian Produced Hardwoods, because of the limited number of producers, the ABS does not release the index numbers.

Period	Index number(a)	% change from previous period	% change from corresponding quarter of previous year
ALL HARDWOODS			
<b>1992-93</b>	100.0	..	..
<b>1993-94</b>	103.3	3.3	..
<b>1994-95</b>	109.7	6.2	..
<b>1995-96</b>	109.6	-0.1	..
<b>1995</b>			
September	110.5	-0.6	1.6
December	110.3	-0.2	0.8
<b>1996</b>			
March	109.3	-0.9	0.1
June	108.2	-1.0	-2.7
September	107.8	-0.4	-2.4
December	108.1	0.3	-2.0
GREEN JARRAH			
<b>1992-93</b>	100.0	..	..
<b>1993-94</b>	101.8	1.8	..
<b>1994-95</b>	109.2	7.3	..
<b>1995-96</b>	108.4	-0.7	..
<b>1995</b>			
September	108.8	-0.7	0.3
December	108.8	—	0.5
<b>1996</b>			
March	108.5	0.3	-0.7
June	107.4	-1.0	-2.0
September	107.3	0.1	-1.4
December	108.6	1.2	-0.2
GREEN KARRI			
<b>1992-93</b>	100.0	..	..
<b>1993-94</b>	101.9	1.9	..
<b>1994-95</b>	107.0	5.0	..
<b>1995-96</b>	105.7	-1.2	..
<b>1995</b>			
September	107.6	—	1.3
December	107.2	-0.4	0.2
<b>1996</b>			
March	104.6	-2.4	-2.2
June	103.4	-1.2	-3.9
September	102.8	-0.6	-4.5
December	101.6	-1.2	-5.2
DRY JARRAH			
<b>1992-93</b>	100.0	..	..
<b>1993-94</b>	105.8	5.8	..
<b>1994-95</b>	112.0	5.9	..
<b>1995-96</b>	113.5	1.3	..
<b>1995</b>			
September	113.8	-1.2	2.5
December	113.8	—	2.5
<b>1996</b>			
March	113.7	-0.1	2.6
June	112.6	-1.1	-2.3
September	112.1	-0.4	-1.5
December	112.9	0.7	-0.8

(a) Base index 1992-93 = 100.0

# EXPLANATORY NOTES

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## INTRODUCTION

**1** This publication presents index numbers measuring changes in prices for sawn timber produced from Western Australian produced hardwoods. They are calculated on the reference base 1992-93 = 100.0

## SCOPE

**2** The scope of the index is Western Australian produced sawn hardwood timber sold by Western Australian mills and merchants within Western Australia, interstate and overseas. Timber used for veneer, woodchips, particle board and posts and poles is not included.

## ITEMS AND WEIGHTS

**3** The indexes are fixed weight indexes. The items included in the index were selected and allocated value weights on the basis of sawn timber sold during 1992-93 to final users in Western Australia and merchants interstate and overseas.

**4** Many of the selected items carry not only the weight of directly priced timbers, but also the weight of other timbers whose prices are considered to move similarly to those of the directly priced timbers.

## COMPOSITION AND WEIGHTING IN REFERENCE YEAR 1992-93

.....

	Contribution
Item	%
.....	
Green jarrah	33.0
Green karri	33.0
Dry jarrah	30.0
Dry karri	4.0
<b>Total</b>	<b>100.0</b>
.....	

## PRICE MEASUREMENT

**5** Most prices used in these indexes relate to the mid-point of each month for the quarter. Prices are obtained from a representative sample of sawmillers and timber merchants (including exporters). The point of pricing is the last sale before final use; handling and delivery costs are included for local sales, if incorporated in the merchant's or sawmiller's price. For example, the price of timber sold to builders is the delivered on site price. Interstate sales are normally priced ex-mill and for exports, the price is generally free on board (fob).

**6** As far as possible, actual transaction prices are used in the indexes. These are the prices *actually* paid by builders, joinery workshops, furniture manufacturers and other purchasers of the timber. The actual price paid can be described in various ways. For example, a price for a sawmiller's or merchant's product may be described in terms of the components that make up the price, such as 'list price less (particular types of) discount'. It is these *net* prices that buyers pay to sellers that the ABS aims to use in compiling these price indexes.

**7** Price series relate to goods of fixed specifications with the aim of incorporating in the index, price changes for representative articles of constant quality (eg. size, dimensions, stress grade). Consistent with this approach, prices in general relate to a standard representative set of transactions (in terms of quantity, delivery arrangements, destination, etc.) in order to avoid variations in price that are attributable solely to a changing mix of transactions over time.



# EXPLANATORY NOTES *continued*

.....

## INDEX NUMBERS

**8** The index numbers for financial years are simple averages of the relevant quarterly index numbers.

## REVISIONS

**9** Index numbers for the current quarter and the previous quarter are preliminary and subject to revision. From time to time, index numbers for earlier periods may also be revised. This will occur whenever the ABS obtains more complete information or discovers that incorrect prices have been used.

## ANALYSIS OF INDEX CHANGE

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

**11** 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.

WAPHI		
	December quarter 1996	108.1
<i>minus</i>	September quarter 1996	107.8
<i>equals</i>	<b>Change in index points</b>	0.3
	Change in index points x 100	0.3 * 100
<i>divided by</i>	September quarter 1996	107.8
<i>equals</i>	<b>Percentage change</b>	-0.3%

NB: Some percentage changes may differ from those derived from the published index numbers because of rounding

## RELATED PUBLICATIONS

**12** Users may also wish to refer to the following publications which are available from ABS Bookshops.

- Consumer Price Index, Eight Capital Cities (6401.0)
- Dwelling Unit Commencements (8741.5)
- House Price Index (6416.0)
- Building Approvals, Western Australia (8731.5)
- Building Activity, Western Australia (8752.5)

**13** Current publications produced by the ABS are listed in the *Catalogue of Publications and Products* (1101.0). The ABS also issues, twice weekly, a *Release Advice* (1105.0) which lists publications to be released in the next few days. The catalogue and release advice are available from ABS offices.

## UNPUBLISHED STATISTICS

**14** 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 Penny Tap or Bob Pearse on (09) 360 5142 or to any ABS office.





## For more information . . .

The ABS publishes a wide range of statistics and other information on Australia's economic and social conditions. Details of what is available in various publications and other products can be found in the ABS Catalogue of Publications and Products available from all ABS Offices.

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