

CHAPTER 7

PRICES

RETAIL PRICES AND PRICE INDEXES

Retail prices of food and groceries and average rentals of houses have been collected by the Australian Statistician for the years extending back to 1901 and, in some cases, by the Statisticians of various States for earlier years.

Retail prices of a more extensive range of commodities (including clothing) and certain services in common demand have been ascertained at frequent and regular intervals since 1923. (Comparable information was ascertained for the month of November in each year from 1914 to 1922.) The range of items for which retail prices data is obtained was considerably expanded in 1948 and in later years. Average retail prices of certain food and grocery items in the relevant periods were published in the annual *Labour Report* (now discontinued).

The current retail price index, the Consumer Price Index, was published for the first time in August 1960 and was compiled retrospectively to the September quarter 1948. A description of the Consumer Price Index (CPI) is given below. For a more complete description of the CPI, readers are referred to a booklet entitled *A Guide to the Consumer Price Index* which is available from the Australian Bureau of Statistics (ABS) on request. An explanation of the nature and purposes of retail price indexes is given in the various editions of the annual *Labour Report*; the last issue of this publication is *Labour Report* No. 58 1973.

The Consumer Price Index

Introduction

The Consumer Price Index measures quarterly changes in the price of a 'basket' of goods and services which account for a high proportion of expenditures by metropolitan wage and salary earner households. This 'basket' covers a wide range of goods and services, arranged in the following groups: Food; Clothing; Housing; Household equipment and operation; Transportation; Tobacco and alcohol; Health and personal care; and Recreation. Each group is, in turn, divided into sub-groups.

Index numbers at the *Group* and *All Groups* levels are published each quarter for each State capital city and Canberra, for the weighted average of six State capital cities and for the weighted average of seven capital cities. *Sub-group index numbers* are also published for the weighted average of six State capital cities.

Items in the Food Group of the CPI are priced each month and the Food Group Index is compiled and published monthly. (Indexes for other groups are not compiled monthly.)

As from August 1978 monthly indexes for the Food Group and its sub-groups have been published for Darwin (see *Consumer Price Index, Monthly Food Group Index, Darwin (6413.0)*). Indexes have been calculated retrospectively to February 1975 for the Food Group and some sub-groups. The Food Group is the only Group for which data are collected and compiled in respect of Darwin.

Index population

The CPI measures price changes affecting a high proportion of *metropolitan employee households*. *Employee households* are defined as those households which obtain at least three-quarters of their total income from wages and salaries but excluding the top 10 per cent (in terms of income) of such households. *Metropolitan* means the State Capital cities and Canberra.

Weighting pattern

There are 105 expenditure classes (i.e. groupings of like items) within the current 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.

Changes in the weighting pattern have been made at approximately five-yearly intervals to take account of changes in household spending patterns. The CPI, in fact, comprises nine series of price indexes which have been linked to form a continuous series. The ninth series (i.e. the current series) was introduced as from the September quarter 1976 and its weighting pattern is based on estimated expenditures in 1974-75 obtained from the first household expenditure survey conducted by the ABS. Details of the weighting pattern are published in the booklet *A Guide to the Consumer Price Index*.

The CPI 'basket' of goods and services covers items which are considered representative of metropolitan household spending habits and whose prices can be associated with an identifiable and specific quantity of a commodity or service. For instance, price changes for a given quantity and quality of bread or refrigerators can be measured and included in the CPI. Income taxes and personal savings, on the other hand, do not form part of the CPI because they cannot be clearly associated with the purchase of a specific quantity of a good or service.

Price collection

Since the CPI is designed to measure the impact of changing prices on metropolitan wage and salary earner households, price movements are monitored in the kinds of retail outlets or other establishments where such households would normally purchase goods and services. This involves collecting prices from many sources including supermarkets, department stores, footwear stores, restaurants, garages, dental surgeries and hairdressers. Items such as bus, rail and air fares, electricity and gas charges, telephone charges and local authority rates are collected from the appropriate authorities. Information on rents is obtained from property management companies. In total, around 80,000 separate price quotations are collected each quarter.

Food items are priced at the middle of each month except in the case of some fresh items (fruit, vegetables and fish) where prices are collected more frequently and averaged to obtain monthly prices. Most of the other CPI items are priced quarterly, usually at the middle of the mid-month of the quarter (February, May, August and November). However, to smooth out collection workloads, some items are collected during the first month of each quarter. Some items, such as local authority rates, need to be priced only once a year.

The prices used in the CPI are those that any member of the public would have to pay on the pricing day to purchase the specified good or service. Any sales or excise taxes which the consumer must pay when purchasing specific items are included in the CPI price. Sale prices, discount prices and 'specials' are reflected in the CPI so long as the items concerned are of normal quality (i.e. not damaged or shop soiled) and are offered for sale in reasonable quantities. To ensure that the price movements reflect the experience of the bulk of the metropolitan population, the brands and the varieties of the items which are priced are generally those which sell in greatest volume.

Changes in quality

The CPI aims to measure the price change of a constant basket of goods and services over time. For this reason, efforts are made to ensure that identical or equivalent items are priced in successive time periods. This involves evaluating changes in the quality of goods and services included in the index, and removing the effects of such changes so that the index reflects only the price change.

Periodic revision of the CPI

The CPI is periodically revised in order to ensure it continues to reflect current conditions. CPI revisions have usually been carried out at approximately five-yearly intervals. Following each revision the new list of items and weights (i.e. the new CPI basket) is linked to the previous series to form one continuous series. The process of linking ensures that the continuous series reflects only price variations and not differences in costs of the old and new baskets.

Earlier CPI series

The index has been compiled for each quarter from the September quarter 1948. The above description of the CPI refers to the ninth series which was introduced as from the September quarter 1976. A description of earlier CPI series is contained in the *Labour Report* No. 58, 1973, and in previous issues of the Year Book.

**CONSUMER PRICE INDEX: ALL GROUPS INDEX
SIX STATE CAPITAL CITIES AND CANBERRA**

(Base of each index: Year 1966-67=100.0) (a)

<i>Period</i>	<i>Weighted average of six State capital cities</i>	<i>Sydney</i>	<i>Mel- bourne</i>	<i>Brisbane</i>	<i>Adelaide</i>	<i>Perth</i>	<i>Hobart</i>	<i>Canberra</i>	<i>Weighted average of seven capital cities</i>
Year—									
1975-76 . . .	193.3	199.0	189.5	190.9	190.5	189.6	190.0	187.3	193.3
1976-77 . . .	220.0	223.4	216.6	218.0	220.1	219.4	217.7	212.9	219.9
1977-78 . . .	241.0	243.2	238.2	238.4	241.8	243.1	239.1	232.3	240.9
1978-79 . . .	260.7	264.4	256.8	258.0	259.7	262.8	257.7	251.1	260.6
1979-80 . . .	287.2	292.4	282.5	283.0	285.8	287.4	284.0	278.0	287.0
1980-81 . . .	314.2	320.8	309.1	309.3	312.0	312.7	310.1	305.1	314.1
Quarter—									
1979-80—									
March . . .	290.3	296.2	284.6	287.1	288.9	290.4	287.0	281.3	290.1
June . . .	298.4	304.4	293.3	293.9	297.3	297.7	294.1	289.2	298.3
1980-81—									
September .	304.0	310.0	299.2	298.9	301.3	304.5	300.8	294.7	303.9
December .	310.3	316.8	305.4	305.6	307.4	309.0	306.2	301.8	310.2
March . . .	317.7	324.9	312.3	312.0	315.9	315.1	313.1	307.8	317.6
June . . .	324.7	331.4	319.3	320.5	323.5	322.0	320.1	315.9	324.6

(a) The separate city indexes measure price movements within each city individually. They do not compare price levels between cities.

**CONSUMER PRICE INDEX: GROUP INDEXES
WEIGHTED AVERAGE OF SIX STATE CAPITAL CITIES**

(Base of each index: Year 1966-67=100.0 unless otherwise noted)

<i>Period</i>	<i>Food</i>	<i>Clothing</i>	<i>Housing</i>	<i>Household equipment and operation</i>	<i>Transport- ation</i>	<i>Tobacco and alcohol</i>	<i>Health and personal care(a)</i>	<i>Recreation (b)</i>	<i>All groups</i>
Year—									
1975-76 . . .	180.2	201.0	221.1	178.3	203.8	211.1	151.6	(c)	193.3
1976-77 . . .	201.2	232.5	251.8	196.3	221.9	229.8	265.8	104.1	220.0
1977-78 . . .	223.2	257.4	274.6	212.6	240.1	240.0	318.3	113.4	241.0
1978-79 . . .	248.8	276.3	292.5	225.9	262.7	277.4	301.7	120.7	260.7
1979-80 . . .	283.6	295.1	314.3	244.2	296.5	300.5	329.6	131.2	287.2
1980-81 . . .	312.9	316.4	345.6	271.2	324.7	321.1	361.7	142.5	314.2
Quarter—									
1979-80—									
March . . .	288.9	295.2	316.8	247.0	296.5	302.8	340.6	133.8	290.3
June . . .	296.2	303.7	324.5	253.4	310.3	307.9	348.8	136.2	298.4
1980-81—									
September .	302.4	307.2	333.1	262.2	311.3	314.3	354.7	138.5	304.0
December .	310.7	314.1	341.7	267.8	317.1	317.2	358.9	140.6	310.3
March . . .	316.9	317.5	348.9	275.3	328.7	324.0	364.7	144.5	317.7
June . . .	321.4	326.6	358.5	279.5	341.8	329.0	368.4	146.5	324.7

(a) Base: December quarter 1968=100.0
prior to September quarter 1976.

(b) Base: September quarter 1976=100.0.

(c) New grouping not compiled for quarters

**CONSUMER PRICE INDEX: GROUP INDEXES
SIX STATE CAPITAL CITIES AND CANBERRA**

(Base of each index: Year 1966-67=100.0 unless otherwise noted) (a)

<i>Year</i>	<i>Sydney</i>	<i>Melbourne</i>	<i>Brisbane</i>	<i>Adelaide</i>	<i>Perth</i>	<i>Hobart</i>	<i>Canberra</i>
FOOD							
1975-76	181.8	177.8	180.8	180.6	180.2	177.5	181.3
1976-77	200.2	198.9	201.7	205.8	205.5	201.5	201.5
1977-78	220.1	220.9	222.6	229.7	235.6	224.3	221.6
1978-79	247.7	245.8	245.7	253.0	260.2	251.3	249.0
1979-80	284.3	278.8	284.6	285.5	290.7	286.8	283.9
1980-81	314.0	307.7	316.9	314.1	317.1	313.0	312.7
CLOTHING							
1975-76	201.0	200.4	200.0	203.6	202.3	200.9	200.9
1976-77	231.9	232.4	230.4	236.5	232.9	232.5	232.4
1977-78	256.4	257.7	254.6	261.2	258.6	257.1	253.7
1978-79	275.1	276.5	272.7	282.1	277.0	277.2	272.4
1979-80	293.8	295.0	291.5	301.9	295.9	297.6	290.5
1980-81	315.4	315.9	310.6	324.4	318.5	319.7	312.1
HOUSING							
1975-76	233.7	214.0	202.9	222.1	209.7	216.4	194.1
1976-77	264.5	242.6	236.0	253.8	244.5	244.9	224.0
1977-78	288.7	263.1	260.9	275.1	269.5	264.6	240.4
1978-79	313.0	276.1	278.5	288.6	282.3	278.1	250.1
1979-80	344.1	291.7	297.2	309.2	292.9	293.7	262.5
1980-81	383.5	318.5	324.6	335.7	316.6	315.4	282.9
HOUSEHOLD EQUIPMENT AND OPERATION							
1975-76	186.5	169.5	181.7	173.1	184.1	183.9	166.1
1976-77	205.5	188.0	197.7	190.0	198.9	201.8	183.9
1977-78	220.7	204.2	213.8	207.0	217.9	222.0	199.2
1978-79	232.2	218.5	228.8	219.6	233.4	235.9	213.4
1979-80	248.9	238.6	243.5	239.8	251.6	257.2	235.6
1980-81	275.5	266.0	269.2	265.4	281.4	286.3	264.3
TRANSPORTATION							
1975-76	220.0	194.1	199.7	196.2	184.9	196.7	196.9
1976-77	231.7	216.8	219.6	215.5	206.2	220.7	216.6
1977-78	248.6	236.7	233.8	234.8	224.9	241.6	236.3
1978-79	273.0	256.9	257.0	257.2	249.5	256.5	256.2
1979-80	307.2	292.8	288.1	288.4	278.7	291.5	293.7
1980-81	335.8	321.7	313.8	314.0	307.6	321.6	323.6
TOBACCO AND ALCOHOL							
1975-76	214.3	214.0	200.9	206.2	206.4	206.3	194.3
1976-77	236.6	229.3	217.4	224.6	226.3	222.0	213.1
1977-78	245.2	241.7	227.5	233.8	237.6	232.2	224.5
1978-79	282.8	277.9	271.6	264.8	277.2	268.4	255.9
1979-80	308.1	302.2	287.9	283.8	299.7	289.1	279.2
1980-81	333.5	319.0	306.0	303.0	317.5	310.7	300.2
HEALTH AND PERSONAL CARE(b)							
1975-76	152.3	149.3	164.1	144.0	156.6	138.5	156.9
1976-77	246.8	266.1	296.1	274.7	308.1	250.3	263.3
1977-78	294.7	321.5	353.6	326.4	365.7	302.6	316.8
1978-79	286.0	307.4	315.6	302.3	337.0	292.2	311.0
1979-80	316.5	327.0	333.8	340.2	385.5	319.8	343.1
1980-81	349.0	360.3	372.0	376.5	398.7	352.5	380.3

CONSUMER PRICE INDEX: GROUP INDEXES
SIX STATE CAPITAL CITIES AND CANBERRA—continued
(Base of each index: Year 1966-67=100.0 unless otherwise noted) (a)

<i>Year</i>	<i>Sydney</i>	<i>Melbourne</i>	<i>Brisbane</i>	<i>Adelaide</i>	<i>Perth</i>	<i>Hobart</i>	<i>Canberra</i>
RECREATION(c)							
1976-77	104.4	103.7	104.1	103.8	104.3	103.6	104.3
1977-78	113.5	113.0	114.8	113.5	113.5	110.2	112.9
1978-79	119.7	120.5	123.4	122.6	120.8	118.7	120.3
1979-80	130.1	131.1	133.9	132.5	131.3	128.5	130.5
1980-81	140.3	143.5	144.3	144.8	143.6	139.8	143.1

(a) The index numbers are designed to measure movements in retail prices of specified groups of items for each city individually. They measure variations from time to time and not differences in price levels between cities. (b) Base: December quarter 1968=100.0.
(c) Base: September quarter 1976=100.0.

Previous retail price indexes

Five series of retail price indexes were compiled by the ABS at various times prior to the introduction of the Consumer Price Index in 1960. These indexes are described in Year Book No. 61.

An index of retail price movements from 1901 onwards has been derived by linking together the following indexes: from 1901 to 1914, the 'A' Series Retail Price Index; from 1914 to 1946-47, the 'C' Series Retail Price Index; from 1946-47 to 1948-49, a composite of Consumer Price Index Housing Group (partly estimated) and 'C' Series Index excluding Rent; and from 1948-49 onwards, the Consumer Price Index. The continuous series derived in this way is shown in the table below. As the indexes differ greatly in scope, the resulting series is only a broad indication of long-term trends in retail prices.

RETAIL PRICE INDEX NUMBERS: SIX STATE CAPITAL CITIES
COMBINED, 1901 TO 1980

(Base: Year 1911=100)

<i>Year</i>	<i>Index number</i>	<i>Year</i>	<i>Index number</i>	<i>Year</i>	<i>Index number</i>
1901	88	1928	167	1955	394
1902	93	1929	171	1956	419
1903	91	1930	162	1957	429
1904	86	1931	145	1958	435
1905	90	1932	138	1959	443
1906	90	1933	133	1960	459
1907	90	1934	136	1961	471
1908	95	1935	138	1962	469
1909	95	1936	141	1963	472
1910	97	1937	145	1964	483
1911	100	1938	149	1965	502
1912	110	1939	153	1966	517
1913	110	1940	159	1967	534
1914(a)	114	1941	167	1968	548
1915(a)	130	1942	181	1969	564
1916(a)	132	1943	188	1970	586
1917(a)	141	1944	187	1971	621
1918(a)	150	1945	187	1972	658
1919(a)	170	1946	190	1973	720
1920(a)	193	1947	198	1974	829
1921(a)	168	1948	218	1975	954
1922(a)	162	1949	240	1976	1,083
1923	166	1950	262	1977	1,216
1924	164	1951	313	1978	1,313
1925	165	1952	367	1979	1,432
1926	168	1953	383	1980	1,578
1927	166	1954	386		

(a) November

INDEX NUMBERS OF CONSUMER (RETAIL) PRICES IN VARIOUS COUNTRIES
ALL GROUP INDEXES(a)

(Source: *Monthly Bulletin of Statistics* of the Statistical Office of the United Nations)
 (Base of each index: Year 1970 = 100)

Period	Australia (b)	Canada	Federal Republic of Germany	Indonesia (Djakarta) (c)	Japan	New Zealand	United Kingdom	United States of America
1975	163	143	135	244	172	163	184	139
1976	185	153	140	292	188	190	215	147
1977	208	165	146	324	204	218	249	156
1978	224	180	150	351	211	244	270	168
1979	244	197	156	132	219	277	306	187
1980	269	217	164	156	237	325	361	212
Quarter—								
1979—								
Sept	247	199	157	139	221	289	316	191
Dec	254	203	158	142	224	295	325	196
1980—								
March	260	208	161	146	229	306	340	203
June	267	214	164	153	236	319	360	211
Sept	272	220	165	160	239	331	368	215
Dec	278	226	167	166	242	343	375	221

(a) The items priced and the levels at which they are priced in these indexes vary widely according to the intended purposes of the indexes of the various countries. The index numbers show fluctuations in prices in each country and do not measure relative price levels between countries. (b) Consumer Price Index converted to base: 1970 = 100. (c) From March 1979—revised figures, base April 1977—March 1978 = 100.

Wholesale price indexes

Introduction

The ABS compiles a range of Wholesale Price Indexes relating to materials used and articles produced by defined sectors of the Australian economy. Each index is calculated using fixed weights. In compiling the indexes, prices are collected from representative suppliers, manufacturers or exporters of the goods included in the indexes. Prices are generally collected as at the mid-point of each month except in the case of the *Price Index of Materials Used in Manufacturing Industry and Export Price Index*, for which average monthly prices are mainly used.

All indexes are compiled and published monthly. Published index numbers for financial years are simple averages of the relevant monthly index numbers. Annual index numbers for most of the indexes are shown below. Monthly index numbers, together with more detailed information concerning methods used in compiling these indexes, are shown in the monthly bulletins published for each index. Information on the weighting patterns for each index is available from the ABS on request.

Price index of materials used in house building

This index measures changes in prices of selected materials used in the construction of houses. Its composition reflects the usage of materials in houses which were selected as representative for the purpose. Weights are based on the year 1968–69. The reference base of the index is the year 1966–67 = 100.0. Further information concerning the method of compiling the index, as well as more detailed index numbers, is shown in the publications *Price Index of Materials Used in House Building* (6408.0), *Labour Report* No. 58, 1973 and *Year Book* No. 60.

PRICE INDEX OF MATERIALS USED IN HOUSE BUILDING
GROUP INDEX NUMBERS—WEIGHTED AVERAGE OF SIX STATE CAPITAL CITIES
 (Base of each index: Year 1966-67=100.0)

	<i>Concrete mix, cement and sand</i>	<i>Cement products</i>	<i>Clay bricks, tiles, etc.</i>	<i>Timber, board and joinery</i>	<i>Steel products</i>	<i>Other metal products</i>
<i>Value Weight</i>	5.73%	8.10%	12.85%	36.16%	5.86%	7.20%
1975-76	195.1	227.0	205.1	226.2	229.3	187.1
1976-77	217.8	258.9	227.8	254.1	263.2	207.9
1977-78	239.0	284.6	245.8	275.0	287.7	220.1
1978-79	255.5	303.8	262.2	290.8	307.6	239.7
1979-80	292.8	336.3	294.8	331.5	341.0	281.7
1980-81	334.1	383.1	334.9	377.8	389.4	314.7

	<i>Plumbing fixtures, etc.</i>	<i>Electrical instal- lation materials</i>	<i>Installed appli- ances</i>	<i>Plaster and plaster products</i>	<i>Miscel- laneous materials</i>	<i>All groups</i>
<i>Value weight</i>	3.74%	1.63%	5.13%	5.64%	7.96%	100.00%
1975-76	201.5	183.5	165.9	167.7	187.9	208.1
1976-77	224.3	201.8	181.9	178.8	210.7	232.9
1977-78	239.1	215.5	193.3	191.8	230.4	252.0
1978-79	244.1	240.0	202.9	204.3	248.2	268.1
1979-80	278.1	282.1	217.6	222.8	278.2	302.9
1980-81	319.3	316.0	240.6	244.6	319.6	344.0

PRICE INDEX OF MATERIALS USED IN HOUSE BUILDING
ALL GROUPS INDEX NUMBERS—SIX STATE CAPITAL CITIES
 (Base of each index: Year 1966-67=100.0)

	<i>State capital cities(a)</i>						<i>Weighted average of six State capital cities</i>
	<i>Sydney</i>	<i>Melbourne</i>	<i>Brisbane</i>	<i>Adelaide</i>	<i>Perth</i>	<i>Hobart</i>	
1975-76	211.1	200.1	218.5	222.5	201.9	209.2	208.1
1976-77	234.5	223.6	243.5	250.7	229.8	235.1	232.9
1977-78	254.0	238.6	265.1	270.7	253.4	256.7	252.0
1978-79	272.7	251.4	281.3	292.1	268.2	273.6	268.1
1979-80	309.5	283.4	315.0	338.5	299.4	304.2	302.9
1980-81	347.6	324.7	363.7	386.1	337.6	338.2	344.0

(a) The separate city indexes measure price movements within each city individually. They do not compare price levels between cities.

Price index of materials used in building other than house building

The *Price Index of Materials Used in Building Other than House Building* (6407.0), on a reference base 1966-67 = 100.0, was discontinued in January 1981. Monthly index numbers on a 1966-67 = 100.0 reference base are available for the period 1966-67 to 1979-80. A description of the discontinued index is shown in previous year books and in the monthly publications issued up to and including January 1981.

The revised price index of materials used in building other than house building

Introduction

The revised Price Index of Materials Used in Building Other than House Building was introduced in February 1981 on reference base 1979-80 = 100.0. It replaces the previous index on reference base 1966-67 = 100.0. The revised index excludes materials which are no longer important in the construction of buildings other than houses and includes new important materials.

Scope and composition

The index measures changes in the prices of materials used in the construction of buildings other than houses. It includes 68 items combined into 10 industry of origin groups in addition to an 'All groups' index. Index numbers are published, for the weighted average of the six State capital cities, for each of the industry of origin groups and for 'All groups'. In addition, index numbers are published for 'All groups' for each of the State capital cities separately.

Although many of the Selected materials are also used in house building, and in building repair, maintenance and alteration work, the weighting pattern of the index is not applicable to these other activities of the construction industry. Neither is it applicable to *engineering construction* work such as the construction of dams, highways, bridges, and other similar types of projects. In addition, since the weights are based on an average materials usage for a range of different building types, the index is not necessarily representative of the price movements for materials used in any particular building or any one type of building.

Items and weights

The index is a fixed weights index. The items were selected and allocated weights in accordance with the estimated average values of materials used in the construction of buildings (other than houses) commenced in the six State capital cities in the three years ended June 1977. The estimated values were derived from data reported from a sample of actual building projects selected from ABS building commencements statistics. The same weighting pattern is used for all State capital cities and is applied to local price measures for calculating index numbers for each State capital city.

Classifications used

The selected materials have been combined into broad groups on an *industry of origin* basis. Index numbers for groups are defined in terms of the Groups (3 digit-level) of the 1978 edition of the *Australian Standard Industrial Classification* (ASIC) (1201.0). The 'industry of origin' is not necessarily identical with the industry which supplies the materials to builders. The 'industry of origin' is the industry in which the material is *primarily produced*, determined in accordance with the classification rules of the ASIC. For instance, many of the materials are sold to builders by wholesalers, but the materials are classified to the appropriate producing industries, rather than the wholesale trading industries.

Prices

Prices are collected at the mid-point of the month to which the index refers, or the nearest trading day. They relate to specified standards of each material and are obtained in all State capital cities from representative suppliers of materials used in building. In general the point of pricing is *delivered on site* but in some cases it has been necessary to use the nearest realistic price available, eg. 'delivered to electrical contractors' store'.

Index numbers

The index has been compiled for each month from July 1979. Financial year index numbers are simple averages of the monthly index numbers. In addition to the index numbers for 'industry of origin' groups and 'All groups' referred to earlier, index numbers are published for:

- (i) selected materials, for the weighted average of the six State capital cities;
- (ii) selected major materials, for each State capital city separately; and
- (iii) special combinations of materials (i.e. 'All groups, excluding electrical materials and mechanical services components', 'Electrical materials', 'Mechanical services components', 'Plumbing materials'), for the weighted average of the six State capital cities and for each State capital city separately.

Further information concerning the method of compiling the index can be obtained from the February 1981 issue of the publication *Price Index of Materials Used in Building Other than House Building—Six State Capital Cities* (6407.0). The tables below show annual index numbers for ASIC groups and 'All groups' for the weighted average of six State capital cities. In addition 'All groups' index numbers for each State capital city are shown. Index numbers for selected materials and special combinations of materials and monthly index numbers are shown in each issue of the monthly price index publication *Price Index of Materials Used in Building Other than House Building—Six State Capital Cities* (6407.0).

**PRICE INDEX OF MATERIALS USED IN BUILDING OTHER THAN HOUSE BUILDING GROUP
INDEX NUMBERS BASED ON AUSTRALIAN STANDARD INDUSTRIAL CLASSIFICATION (ASIC)
WEIGHTED AVERAGE OF SIX STATE CAPITAL CITIES**

(Base of each index: Year 1979-80=100.00)

<i>Selected ASIC Groups</i>						
	<i>Wood and wood products</i>	<i>Clay products and refractories</i>	<i>Cement and concrete products</i>	<i>Basic iron and steel</i>	<i>Structural metal products</i>	<i>Sheet metal products</i>
	(253)	(286)	(287)	(294)	(314)	(315)
<i>Value weight</i>	7.97%	4.16%	15.41%	4.69%	29.24%	3.68%
1979-80	100.0	100.0	100.0	100.0	100.0	100.0
1980-81	114.3	114.3	113.0	113.2	113.9	114.5

<i>Selected ASIC Groups</i>					
	<i>Other fabricated metal products</i>	<i>Appliances and electrical equipment</i>	<i>Industrial machinery and equipment</i>	<i>Other</i>	<i>All groups</i>
	(316)	(335)	(336)		
<i>Value weight</i>	2.77%	9.70%	8.79%	13.58%	100.00%
1979-80	100.0	100.0	100.0	100.0	100.0
1980-81	112.9	109.8	111.2	112.6	112.9

**PRICE INDEX OF MATERIALS USED IN BUILDING OTHER THAN HOUSE BUILDING ALL GROUPS
INDEX NUMBERS—SIX STATE CAPITAL CITIES**

(Base of each index: Year 1979-80=100.0)

	<i>State capital cities(a)</i>						<i>Weighted average of six State capital cities</i>
	<i>Sydney</i>	<i>Melbourne</i>	<i>Brisbane</i>	<i>Adelaide</i>	<i>Perth</i>	<i>Hobart</i>	
1975-76(b)	67.8	68.3	69.0	66.9	67.3	69.7	68.1
1976-77(b)	75.5	76.6	77.0	74.5	76.0	77.8	76.0
1977-78(b)	81.8	83.0	83.2	80.9	83.4	84.1	82.4
1978-79(b)	88.3	88.5	88.9	87.3	89.4	89.6	88.5
1979-80	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1980-81	113.1	112.7	113.2	113.8	112.2	111.6	112.9

(a) The separate city indexes measure price movements within each city individually. They do not compare price levels between cities.

(b) The index series for 1975-76 to 1978-79 are based on the series previously published on a reference base 1966-67=100.0. They have been converted to the reference base 1979-80=100.0 by linking the old and new series in the year 1979-80.

PRICE INDEX OF MATERIALS USED IN BUILDING OTHER THAN HOUSE BUILDING
COMPOSITION AND WEIGHTING IN REFERENCE BASE YEAR 1979-80
INDEX ITEMS GROUPED ACCORDING TO AUSTRALIAN STANDARD INDUSTRIAL CLASSIFICATION
(ASIC) 1978

ASIC Code	Description	Percentage contribution (a) of—	
		Items to groups	Items and groups to All groups
253	WOOD AND WOOD PRODUCTS	100.00	7.97
	Structural timber	20.04	1.60
	Plywood, hardboard and softboard	6.53	0.52
	Timber doors ready made	15.73	1.25
	Timber windows ready made	6.06	0.48
	Built in wooden furniture	37.03	2.95
	Wooden shelves, racks, partitions and other joinery	14.61	1.17
286	CLAY PRODUCTS AND REFRACTORIES	100.00	4.16
	Clay bricks	66.09	2.75
	Earthenware pipes and fittings	5.28	0.22
	Ceramic tiles	18.82	0.78
	Toilet suites	5.89	0.25
	Hand basins	3.92	0.16
287	CEMENT AND CONCRETE PRODUCTS	100.00	15.42
	Cement	3.76	0.58
	Ready mixed concrete	67.19	10.36
	Precast concrete pipes and drainage products	4.25	0.66
	Concrete masonry blocks	6.25	0.96
	Other precast concrete products	17.04	2.63
	Terrazzo	1.51	0.23
294	BASIC IRON AND STEEL	100.00	4.69
	Galvanised steel decking, cladding and sheet products	49.62	2.33
	Cast iron pipes and fittings	8.16	0.38
	Sprinkler and hydrant systems	28.94	1.36
	Galvanised steel piping	10.28	0.48
	Metal conduit and accessories	3.00	0.14
314	STRUCTURAL METAL PRODUCTS	100.00	29.24
	Structural steel	31.62	9.25
	Reinforcing steel bar	15.32	4.48
	Reinforcing steel fabric and mesh	5.18	1.52
	Aluminium windows	13.31	3.89
	Aluminium screens, doors, louvres and other fabricated products	6.57	1.92
	Suspended ceilings	11.71	3.42
	Steel windows, doors, louvres, grilles and roller shutters	5.54	1.62
	Light fabricated steel work	5.04	1.47
	Other steel fabricated architectural products	3.87	1.13
	Fire doors	1.84	0.54
315	SHEET METAL PRODUCTS	100.00	3.68
	Steel gutters and downpipes	22.06	0.81
	Ductwork used in air conditioning	59.40	2.19
	Metal ducting and cable trays	6.86	0.25
	Urinals	3.85	0.14
	Baths and sinks	7.83	0.29
316	OTHER FABRICATED METAL PRODUCTS	100.00	2.77
	Builders' hardware—hinges, catches, handles, bolts, etc.	64.64	1.79
	Taps, valves and other fittings	24.46	0.68
	Boilers	10.90	0.30
335	APPLIANCES AND ELECTRICAL EQUIPMENT	100.00	9.70
	Fire alarm systems	6.70	0.65
	Mains cable	13.45	1.30
	Circuitry	5.85	0.57
	Electrical materials used in air conditioning	7.67	0.74
	Light fittings	32.79	3.18
	Lamps	4.24	0.41
	Switches, outlets and plugs	4.73	0.46
	Switchboards	21.84	2.12
	Hot water units	2.73	0.27

PRICE INDEX OF MATERIALS USED IN BUILDING OTHER THAN HOUSE BUILDING
COMPOSITION AND WEIGHTING IN REFERENCE BASE YEAR 1979-80—continued
INDEX ITEMS GROUPED ACCORDING TO AUSTRALIAN STANDARD INDUSTRIAL CLASSIFICATION
(ASIC) 1978—continued

ASIC Code	Description	Percentage contribution (a) of—	
		Items to groups	Items and groups to All groups
336	INDUSTRIAL MACHINERY AND EQUIPMENT	100.00	8.79
	Air conditioning packaged units	12.79	1.12
	Refrigeration equipment—air conditioning	24.07	2.12
	Other air conditioning equipment	25.37	2.23
	Registers and fans used in air conditioning	12.95	1.14
	Elevators and escalators	24.82	2.18
—	OTHER MATERIALS	100.00	13.58
	Sand, aggregate and filling	13.32	1.81
	Carpet	9.86	1.34
	Paint	5.53	0.75
	Asphalt	3.99	0.54
	Bituminous sheeting	9.91	1.35
	Glass	5.31	0.72
	Plaster and plaster products	10.62	1.44
	Insulation	2.52	0.34
	Asbestos cement products	5.03	0.68
	Lime	1.36	0.18
	Non-ferrous pipes	17.41	2.37
	Vinyl sheet and tiles	6.83	0.93
	Plastic conduit, ducting and accessories	3.61	0.49
	Plastic pipes and fittings	4.70	0.64
	ALL GROUPS		100.00

(a) Percentage contributions reflect estimated average materials usage in the 3 years ended June 1977, valued at the relevant prices in 1979-80.

PRICE INDEX OF ELECTRICAL MATERIALS—COMPOSITION AND WEIGHTING IN REFERENCE
BASE YEAR 1979-80

Description	Percentage contribution (a) of—	
	Items to classes	Items and classes to All Electrical Materials
CONDUCTORS	100.00	20.96
Mains cable	69.52	14.57
Circuitry	30.48	6.39
CONDUIT AND ACCESSORIES	100.00	9.87
Metal ducting and cable trays	28.41	2.80
Plastic conduit, ducting and accessories	55.68	5.50
Metal conduit and accessories	15.91	1.57
SWITCHBOARDS AND SWITCHGEAR	100.00	28.92
Switchboards	82.17	23.76
Switches, outlets and plugs	17.83	5.16
LAMPS AND LIGHT FITTINGS	100.00	40.25
Lamps	11.42	4.60
Light fittings	88.58	35.65
ALL ELECTRICAL MATERIALS	—	100.00

(a) Percentage contributions reflect estimated average materials usage in the 3 years ended June 1977, valued at the relevant prices in 1979-80.

**PRICE INDEX OF MECHANICAL SERVICES COMPONENTS—COMPOSITION AND WEIGHTING IN
REFERENCE BASE YEAR 1979-80**

<i>Description</i>	<i>Percentage contribution (a) of—</i>	
	<i>Items to classes</i>	<i>Items and classes to All Mechanical Services</i>
AIR CONDITIONING	100.00	72.81
Air conditioning packaged units	9.98	7.27
Refrigeration equipment—air conditioning	18.90	13.76
Ductwork used in air conditioning	19.52	14.21
Piping used in air conditioning	12.30	8.95
Electrical materials used in air conditioning	6.59	4.80
Boilers	2.67	1.95
Registers and fans used in air conditioning	10.16	7.40
Others air conditioning equipment	19.88	14.47
FIRE PROTECTION INSTALLATIONS	100.00	13.04
Fire alarm systems	32.34	4.22
Sprinkler and hydrant systems	67.66	8.82
ELEVATORS AND ESCALATORS	100.00	14.15
Elevators and escalators	100.00	14.15
ALL MECHANICAL SERVICES COMPONENTS	—	100.00

(a) Percentage contributions reflect estimated average materials usage in the 3 years ended June 1977, valued at the relevant prices in 1979-80.

**PRICE INDEX OF PLUMBING MATERIALS—COMPOSITION AND WEIGHTING IN REFERENCE
BASE YEAR 1979-80**

<i>Description</i>	<i>Percentage contribution (a) of—</i>	
	<i>Items to classes</i>	<i>Items and classes to All Plumbing Materials</i>
HYDRAULIC PLUMBING MATERIALS	100.00	50.55
Urinals	3.62	1.83
Baths and sinks	7.35	3.72
Toilet suites	6.24	3.15
Hand basins	4.16	2.10
Cast iron pipes and fittings	5.85	2.96
Non-ferrous pipes	34.77	17.58
Taps, valves and other fittings	17.26	8.72
Plastic pipes and fittings	11.95	6.04
Galvanised steel piping	3.81	1.93
Hot water units	4.99	2.52
DRAINAGE MATERIALS	100.00	14.52
Earthenware pipes and fittings	19.51	2.83
Plastic pipes and fittings	8.83	1.28
Pre-cast concrete pipes and drainage products	58.10	8.44
Cast iron pipes and fittings	13.56	1.97
ROOF AND ROOF PLUMBING MATERIALS	100.00	34.93
Steel gutters and downpipes	29.99	10.48
Steel decking	70.01	24.45
ALL PLUMBING MATERIALS	—	100.00

(a) Percentage contributions reflect estimated average materials usage in the 3 years ended June 1977, valued at the relevant prices in 1979-80.

**PRICE INDEX OF MATERIALS USED IN BUILDING OTHER THAN HOUSE
BUILDING—COMPOSITION AND WEIGHTING IN REFERENCE BASE YEAR 1979-80 OF ALL GROUPS
EXCLUDING ELECTRICAL MATERIALS AND MECHANICAL SERVICES**

<i>Description</i>	<i>Percentage contribution (a) of Items to All groups excluding electrical materials and mechanical services</i>
Structural timber	2.11
Plywood, hardboard and softboard	0.69
Timber doors ready made	1.65
Timber windows ready made	0.63
Built-in wooden furniture	3.90
Wooden shelves, racks, partitions and other joinery	1.55
Clay bricks	3.64
Earthenware pipes and fittings	0.29
Ceramic tiles	1.03
Toilet suites	0.33
Hand basins	0.21
Cement	0.77
Ready mixed concrete	13.69
Precast concrete pipes and drainage products	0.87
Concrete masonry blocks	1.27
Other precast concrete products	3.48
Terrazzo	0.30
Galvanised steel decking, cladding and sheet products	3.08
Cast iron pipes and fittings	0.50
Structural steel	12.23
Reinforcing steel bar	5.92
Reinforcing steel fabric and mesh	2.01
Aluminium windows	5.14
Aluminium screens, doors, louvres and other fabricated products	2.54
Suspended ceilings	4.52
Steel windows, doors, louvres, grilles and roller shutters	2.14
Light fabricated steel work	1.94
Other steel fabricated architectural products	1.49
Fire doors	0.71
Steel gutters and downpipes	1.07
Urinals	0.19
Baths and sinks	0.38
Builders' hardware—hinges, catches, handles, bolts, etc.	2.37
Taps, valves and other fittings	0.90
Hot water units	0.36
Sand, aggregate and filling	2.39
Carpet	1.77
Paint	0.99
Asphalt	0.71
Bituminous sheeting	1.78
Glass	0.95
Plaster and plaster products	1.90
Insulation	0.45
Asbestos cement products	0.90
Lime	0.24
Non-ferrous pipes	2.04
Vinyl sheets and tiles	1.23
Plastic pipes and fittings	0.75
ALL GROUPS EXCLUDING ELECTRICAL MATERIALS AND MECHANICAL SERVICES	100.00

(a) Percentage contributions reflect estimated average materials usage in the 3 years ended June 1977, valued at the relevant prices in 1979-80.

Price index of materials used in manufacturing industry

This index measures changes in prices of materials (including fuels) used by establishments classified to the Manufacturing Division of the Australian Standard Industrial Classification (ASIC), as described in the ABS publication *Australian Standard Industrial Classification (Preliminary Edition) 1969* (1201.0). The index is on a *net basis*, i.e. it relates in concept only to those materials which are used by establishments within the Manufacturing Division in Australia and which have been produced by establishments outside that Division. Materials purchased by establishments classified to the Australian Manufacturing Division from other establishments in that Division are outside the scope of the index.

The reference base of the index is the year 1968-69=100.0. The weighting base of the index corresponds to the year 1971-72. The items included in the index were allocated weights in accordance with estimated manufacturing usage in 1971-72 valued at relevant prices applying in the reference base year 1968-69. The selected items are combined for publication purposes into broad groups using two different classifications:

- (i) Australian Standard Industrial Classification (ASIC), and
- (ii) Standard International Trade Classification (SITC (R)).

Further information concerning the method of compiling the index, as well as more detailed index numbers, is shown in the publications *Price Index of Materials Used in Manufacturing Industry, Australia* (6411.0) and Year Book No. 61.

PRICE INDEX OF MATERIALS USED IN MANUFACTURING INDUSTRY: GROUP INDEX NUMBERS BASED ON AUSTRALIAN STANDARD INDUSTRIAL CLASSIFICATION

(Base of each index: Year 1968-69=100.0)

	Imported materials				Home produced materials					All groups
	Agri- culture	Mining	Manu- facturing	Total imported materials	Agri- culture	Forestry and fishing	Mining	Elec- tricity	Total home produced materials	
Value weight	1.92%	4.17%	21.07%	27.16%	47.04%	1.12%	18.92%	5.76%	72.84%	100.00%
1975-76	166.5	423.6	162.6	202.9	132.3	213.7	163.3	137.9	142.0	158.6
1976-77	258.6	479.5	182.1	233.2	152.5	245.2	189.2	148.8	163.2	182.2
1977-78	303.4	515.3	201.6	257.0	162.4	273.5	211.4	160.9	176.7	198.5
1978-79	285.3	542.6	222.1	275.7	228.8	263.5	281.8	173.8	238.7	248.8
1979-80	329.2	911.8	261.8	366.4	280.3	300.3	403.5	186.7	305.2	321.8
1980-81	293.6	1,146.3	278.7	413.0	295.9	344.4	454.0	210.2	330.9	353.2

PRICE INDEX OF MATERIALS USED IN MANUFACTURING INDUSTRY: GROUP INDEX NUMBERS BASED ON STANDARD INTERNATIONAL TRADE CLASSIFICATION (REVISED)

(Base of each index: Year 1968-69=100.0)

	Manufactured materials (imported)			Other materials (imported and home produced)			All groups
	Chemicals	Metal manu- factures, components for transport equipment and machinery	Other manufactured materials	Food, live animals and tobacco	Crude materials (excl. fuels)	Electricity, gas and fuels	
Value weight	6.67%	5.21%	5.76%	45.87%	20.66%	15.83%	100.00%
1975-76	149.4	179.6	148.4	132.5	163.0	229.0	158.6
1976-77	160.3	211.6	164.5	154.9	191.7	254.8	182.2
1977-78	170.7	246.6	185.1	166.6	199.2	291.0	198.5
1978-79	180.9	271.6	201.3	232.5	227.4	362.4	248.8
1979-80	225.1	294.2	230.3	285.1	288.8	554.6	321.8
1980-81	244.7	310.3	242.9	299.5	286.9	695.5	353.2

Price indexes of articles produced by manufacturing industry

These indexes measure changes in the prices of articles produced by establishments classified to the Manufacturing Division of the Australian Standard Industrial Classification (ASIC). The indexes are on a *net basis*, i.e. they relate in concept only to those articles which are produced in defined sectors of Australian manufacturing industry for sale or transfer to other sectors or for export or for use as capital equipment. Articles which are sold or transferred to other establishments within the sector for further processing (as materials, components, fuels, etc.) are excluded.

The following sector price indexes are published:

- (i) a net index for the Manufacturing Division of ASIC (known as the *All Manufacturing Industry Index*), and
- (ii) net indexes for the twelve sub-divisions within the Manufacturing Division.

The reference base of the index is the year 1968-69=100.0. The weighting base of the index corresponds to the year 1971-72. The items included in these indexes were allocated weights in accordance with estimated *net* sector production in the year 1971-72, valued at the relevant prices applying in the reference base year 1968-69.

The selected items are combined for publication purposes using the structure of the Australian Standard Industrial Classification.

Further information concerning the method of compiling the index and monthly index numbers for sub-divisions and special groupings are shown in the publication *Price Indexes of Articles Produced by Manufacturing Industry, Australia* (6412.0). Further information about the indexes is also shown in Year Book No. 62.

PRICE INDEXES OF ARTICLES PRODUCED BY MANUFACTURING INDUSTRY (a) (Base of each index: Year 1968-69=100.0)

Net subdivision indexes (c)							
Year	All Manu- facturing Industry Index (b)	Food, beverages and tobacco (21-22)	Textiles (23)	Clothing and footwear (24)	Wood, wood products and furniture (25)	Paper, paper products and printing (26)	Chemical, petroleum and coal products (27)
1975-76	177.8	163.5	159.7	185.2	219.9	196.3	168.2
1976-77	196.9	180.0	178.6	208.1	246.8	212.8	182.4
1977-78	213.8	195.6	193.3	225.2	264.0	231.7	200.7
1978-79	237.4	226.4	205.1	238.4	280.4	245.0	233.1
1979-80	274.9	266.5	228.8	255.3	315.5	269.6	307.4
1980-81	305.2	290.9	252.7	276.5	357.3	304.2	366.9

Year	Glass, clay and other non- metallic mineral products (28)	Basic metal products (29)	Fabricated metal products (31)	Transport equipment (32)	Other industrial machinery and equipment and household appliances (33)	Miscellan- eous manu- facturing products (34)
1975-76	183.2	174.0	217.1	175.8	179.2	159.0
1976-77	202.5	200.6	244.9	195.0	199.4	176.0
1977-78	219.8	214.0	268.7	211.6	215.3	192.4
1978-79	236.8	237.2	287.7	230.2	232.2	209.8
1979-80	265.2	282.7	323.9	252.2	261.3	252.5
1980-81	300.2	297.8	371.6	275.7	289.6	273.9

(a) For a full description of Division C, 'Manufacturing' and the subdivisions within Manufacturing Division, see *Australian Standard Industrial Classification* (ASIC), *Preliminary Edition*, 1969. (b) This index is on a net division basis and relates in concept only to articles which are produced in the Manufacturing Division of ASIC for sale or transfer outside the Division. (c) These indexes are on a 'net sub-division' basis; the index for each subdivision relates in concept to articles which are produced in that subdivision for sale or transfer outside the subdivision.

EXPORT PRICE INDEXES

An annual index of export prices has been published by the bureau since its inception. Brief descriptions of indexes covering the period between 1901 and 1979 are shown in Year Book No. 55, pages 256-7 and Year Book No. 58, pages 240-2.

Export price index

The revised Export Price Index was introduced in July 1979. It relates to *all exports of merchandise* from Australia and includes re-exports of merchandise (that is, goods which are imported into Australia and exported at a later date without physical transformation). The index numbers for each month relate to prices of those exports of merchandise that are physically shipped from Australia during that month.

The reference base of the index is the year 1974-75 = 100. The commodities directly represented in the index were selected on the basis of their export values in the years 1974-75, 1975-76 and 1976-77. They were allocated weights in accordance with the average value of exports for each commodity over the period 1974-75 to 1976-77. The 1975-76 and 1976-77 export values for each commodity were revalued at 1974-75 prices before averaging.

The selected commodities are combined for publication purposes into broad index groups using two different classifications:

- (i) Australian Export Commodity Classification, 1978-79 (AECC), (1203.0);
- (ii) Australian Standard Industrial Classification, 1978 (ASIC), (1201.0).

Further information concerning the method of compiling the index can be obtained from the July 1979 issue of the publication *Export Price Index* (6405.0) and Year Book No. 64. More detailed index numbers are shown in the monthly publication *Export Price Index, Australia* (6405.0).

EXPORT PRICE INDEX: INDEX NUMBERS BASED ON AUSTRALIAN EXPORT COMMODITY CLASSIFICATION (AECC) (Base of each index: Year 1974-75=100)

AECC Sections						
Year	All groups	Food and live animals (0)	Crude materials inedible (except fuels) (2)	Mineral fuels and lubricants (3)	Animal and vegetable oils and fats (4)	Chemicals and other manufactured exports (5, 6, 7 and 8)
1975-76 . . .	109	97	115	144	98	101
1976-77 . . .	122	98	141	156	117	118
1977-78 . . .	128	100	149	167	136	125
1978-79 . . .	144	119	162	170	157	146
1979-80 . . .	174	145	191	198	169	188
1980-81 . . .	185	162	202	217	145	181

EXPORT PRICE INDEX: INDEX NUMBERS BASED ON AUSTRALIAN STANDARD INDUSTRIAL CLASSIFICATION (ASIC) (Base of each index: Year 1974-75=100)

ASIC Divisions			
Year	Agriculture, forestry, fishing and hunting (A)	Mining (B)	Manufacturing (C)
1975-76	98	130	105
1976-77	106	148	119
1977-78	105	159	127
1978-79	114	163	150
1979-80	137	180	190
1980-81	150	191	199

Previous wholesale price indexes

The *Melbourne Wholesale Price Index*, first compiled in 1912, was discontinued in 1961. The *Wholesale Price (Basic Materials and Foodstuffs) Index*, which replaced the Melbourne Wholesale Price Index from 1936-37, was discontinued in 1970. Further information concerning these indexes is shown in Year Book No. 61.

References

For further information on the subjects dealt with in the foregoing pages, see the following ABS publications: *Monthly Summary of Statistics, Australia* (1304.0); *Digest of Current Economic Statistics, Australia* (1305.0); *Consumer Price Index* (6401.0); *Consumer Price Index, Monthly Food Group Index, Six State Capital Cities and Canberra* (6402.0); *Average Retail Prices of Selected Items, Six State Capital Cities and Canberra* (6403.0); *Consumer Price Index, Monthly Food Group Index, Darwin* (6413.0); *Price Index of Materials Used in Building Other Than House Building, Six State Capital Cities* (6407.0); *Price Index of Materials Used in House Building, Six State Capital Cities* (6408.0); *Price Index of Materials Used in Manufacturing Industry, Australia* (6411.0); *Price Indexes of Articles Produced by Manufacturing Industry, Australia* (6412.0); *Price Indexes of Metallic Materials, Australia* (6410.0); *Export Price Index, Australia* (6405.0).

PRICES JUSTIFICATION TRIBUNAL

General

The Prices Justification Tribunal was established in August 1973 pursuant to the *Prices Justification Act* 1973. Amendments to the Act occurred in 1974, 1976 and 1979. The Act was repealed on 26 June, 1981. The functions of the Tribunal were to conduct inquiries in relation to prices charged for the supply of goods or services, by prescribed companies, and to report to the Minister for Business and Consumer Affairs the results of every such inquiry.

On 26 June 1981 the *Petroleum Products Pricing Act* 1981 was proclaimed. This Act established the Petroleum Products Pricing Authority, which assumed responsibility for price surveillance of the petroleum products industry.

PETROLEUM PRODUCTS PRICING AUTHORITY

General

The Petroleum Products Pricing Authority which was established on 26 June 1981 pursuant to the *Petroleum Products Pricing Act* 1981, took over from the Prices Justification Tribunal the responsibility for price surveillance of the petroleum products industry. The functions of the Authority are to conduct inquiries in relation to prices for the supply of petroleum products or related services within Australia, and to report to the Minister for Business and Consumer Affairs the results of every such inquiry.

Organisation

The Authority is constituted by a full-time Commissioner and is staffed by persons appointed or employed under the *Public Service Act* 1922.

Legislative Provisions

Inquiries conducted by the Authority at the request of the Minister or with his approval may be either:

- (a) A prices justification inquiry, that is to say an inquiry as to whether the price or prices at which a company or companies supply or supplies, or propose or proposes to supply, petroleum products or services of a particular description is or are justified, or
- (b) an inquiry not being a prices justification inquiry into such specified matter or matters relating to the prices at which petroleum products or services are supplied.

The Authority's enabling legislation also provides for the following:

- (i) In conducting a prices justification inquiry and making its reports on such an inquiry, the Authority shall have due regard to the need for the company or companies concerned to achieve a level of profitability that is sufficient to enable the company or companies to maintain an adequate level of investment and employment.
- (ii) Section 19 of the Act states that declared companies are guilty of an offence in raising prices of petroleum products or services without prior notice to the Authority and the occurrence of certain specified events. These events include the expiration of the prescribed period or the

serving of a notice by the Authority on a company stating that the Authority does not intend holding an inquiry as to whether the proposed price is justified. A declared company means a company declared by the Minister by notice published in the Commonwealth of Australia Gazette.

- (iii) With certain exceptions, the prescribed period is the period of 21 days commencing on the day the Authority receives the notice under Section 19. In the case where, following receipt of a notice, a public inquiry is held, the prescribed period commences on the day the Authority receives the notice and ends on the earlier of the day the Authority's report on the proposed price is received by the company or fourteen days after the expiration of the 3 months period commencing on the date that the Authority served notice on the company that the public inquiry was to be held. Provision exists for the extension of prescribed periods in certain circumstances.
- (iv) The Authority on the application by companies is empowered to grant interim price increases to apply during the course of the Authority's consideration of proposed or existing prices.
- (v) Before commencing to hold an inquiry reasonable notice will be given in the Commonwealth of Australia Gazette and in newspapers specifying the matter that is the subject of the inquiry and the time and place at which the inquiry is to be commenced.
- (vi) Any person or body of persons may apply to the Authority to be made a party to an inquiry. If the application is granted such a party is entitled to give evidence or call witnesses to give evidence and to make submissions to the Authority.
- (vii) Subject to the Act and to any direction given to the Authority by the Minister, the procedures to be followed at an inquiry are at the discretion of the Commissioner. The Authority is not bound by the rules of evidence.
- (viii) Confidential submissions and evidence may be taken in private if the Authority considers that it is desirable to do so.
- (ix) The Commissioner or an associate Commissioner (for a particular inquiry) has the power to obtain information.
- (x) The Authority shall, as soon as practicable after 30 June, prepare and furnish to the Minister a report with respect to the operations of the Authority during the year ended on that date.

HOUSEHOLD EXPENDITURE SURVEYS

During the financial years 1974-75 and 1975-76, the ABS conducted two surveys in order to obtain information about the expenditure patterns of private households. The 1974-75 survey was confined to a sample of households in the six State capital cities and Canberra (collection in Darwin being suspended in December 1974 due to cyclone Tracy), while the coverage of the 1975-76 survey was extended to include other urban and rural regions. Apart from limited attempts in 1910-11 and 1913 to assess the spending patterns of Australian households, these surveys were the first official collections of household expenditure statistics conducted in this country.

Surveys of household expenditure and related topics have formed an integral part of the statistical programmes of a number of other countries for many years. Perhaps the most important reason for the collection of data relating to expenditure at the household level is to provide information for use in improving the representativeness of the items and the weighting pattern used to compile the Consumer Price Index (*see* page 117). Household expenditure statistics also provide a rich source of data needed for a wide range of policy and research purposes. These include the planning of welfare services; assessing the need for, and effect of, programmes in fields such as housing, education and health; assessing the impact of taxation and government benefits; and improving estimates of private final consumption expenditure in the National Accounts.

Further details about the 1974-75 and 1975-76 surveys are contained in Year Book No. 63, pages 119-123.