

## COMMONWEALTH BUREAU OF CENSUS AND STATISTICS

## CANBERRA, AUSTRALIA

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CONSUMER PRICE INDEX - MARCH QUARTER 1969

Variations in retail prices as measured by the Consumer Price Index for the six State capital cities and Canberra are shown herein.

2. The Consumer Price Index consists of a series of short term retail price indexes linked to form one continuous series. Up to December Quarter, 1968 there had been five such short term indexes. For March Quarter, 1969, the sixth of these short term indexes is introduced. The process of linking ensures that the series reflects only price variations and not differences in cost of the old and new combinations and lists of items. The introduction of new items and weights by linking does not, of itself, raise or lower the level of the index. Details of changes made at the link are set out in the Appendix attached to this bulletin.

3. The reference base year of the index which up to now has been 1952-53 = 100.0 has also been changed to a more recent period. As from this issue index numbers will be shown with the reference base year 1966-67 = 100.0. Index numbers on the new base are, of course, convertible to index numbers on the old base by the application of an arithmetical factor based on the relationship of the relevant series in 1952-53, and 1966-67. Apart from slight rounding differences, index numbers for past periods show exactly the same percentage movement on either reference base.

4. Compared with the previous quarter, the All Groups Consumer Price Index for March Quarter 1969, increased by 0.7% for the weighted average of the six State capital cities. Changes in individual cities were: Sydney +0.8%, Melbourne +0.6%, Brisbane +0.5%, Adelaide +0.3%, Perth +0.7%, Hobart +0.7%, Canberra +0.6%.

Recent quarterly changes in the All Groups index have been as follows:

Percentage Change from Preceding Quarter (a)

| Quarter      | State Capital Cities - Separately and Combined              |          |           |          |          |          |          |          |
|--------------|---|----------|-----------|----------|----------|----------|----------|----------|
|              | Weighted<br>Average<br>of Six<br>State<br>Capital<br>Cities | Sydney   | Melbourne | Brisbane | Adelaide | Perth    | Hobart   | Canberra |
|              | Per cent  | Per cent | Per cent  | Per cent | Per cent | Per cent | Per cent | Per cent |
| 1967 - March | +0.4  | +0.2     | +0.4      | +0.6     | +0.5     | +1.0     | +1.4     | +0.4     |
| June         | +1.2  | +1.0     | +1.6      | +0.7     | +1.3     | +1.3     | +0.9     | +1.2     |
| September    | +1.4  | +1.4     | +1.3      | +1.8     | +1.1     | +0.4     | +2.8     | +0.9     |
| December     | +0.3  | +0.4     | +0.4      | +0.2     | -0.5     | +0.5     | +0.7     | +0.2     |
| 1968 - March | +0.4  | +0.3     | +0.5      | +0.7     | +0.5     | +0.6     | -0.4     | +0.2     |
| June         | +0.8  | +0.8     | +1.0      | ..       | +1.6     | +0.9     | ..       | +0.6     |
| September    | +0.4  | +0.4     | +0.3      | +1.0     | ..       | +0.3     | +0.4     | +0.3     |
| December     | +1.1  | +1.4     | +0.9      | +0.6     | +1.0     | +0.6     | +0.8     | +0.4     |
| 1969 - March | +0.7  | +0.8     | +0.6      | +0.5     | +0.3     | +0.7     | +0.7     | +0.6     |

(a) Because of change of reference base the percentage changes shown may differ through rounding from those published in previous statistical bulletins.

6. The All Groups index number for the weighted average of the six State capital cities increased by 2.9% over the year ended March Quarter 1969. Recent quarterly changes in each of the groups of this index have been as follows:

| Quarter      | Weighted Average of Six State Capital Cities<br>Percentage Change from Preceding Quarter (a) |                            |          |   |                    |               |
|--------------|--|----------------------------|----------|---|--------------------|---------------|
|              | Food   | Clothing<br>and<br>Drapery | Housing  | Household<br>Supplies<br>and<br>Equipment | Miscel-<br>laneous | All<br>Groups |
|              | Per cent   | Per cent                   | Per cent | Per cent                                  | Per cent           | Per cent      |
| 1967 - March | +0.6   | +0.4                       | +0.6     | -0.1                                      | +0.3               | +0.4          |
| June         | +1.9   | +0.9                       | +1.7     | +0.5                                      | +0.7               | +1.2          |
| September    | +2.8   | +0.3                       | +1.1     | +0.2                                      | +0.8               | +1.4          |
| December     | -0.9   | +0.7                       | +1.3     | +0.5                                      | +1.0               | +0.3          |
| 1968 - March | +0.7   | +0.2                       | +0.5     | ..  | +0.3               | +0.4          |
| June         | +1.0   | +0.5                       | +1.2     | +0.8                                      | +0.5               | +0.8          |
| September    | -0.3   | +0.5                       | +0.7     | +0.2                                      | +1.4               | +0.4          |
| December     | +0.2   | +0.8                       | +1.9     | +0.6                                      | +2.1               | +1.1          |
| 1969 - March | +0.2   | +0.3                       | +0.9     | +0.3                                      | +1.1               | +0.7          |

(a) Because of change of reference base the percentage changes shown may differ through rounding from those published in previous statistical bulletins.

7. A detailed description of the Consumer Price Index is contained in Labour Report No.52, 1965 and 1966.

8. The Consumer Price Index measures quarterly variations in prices of commodities and services as affecting a high proportion of the expenditure of wage-earner households in the aggregate. Changes in the pattern of this expenditure since 1950 have been such as to render it necessary to construct the index with additional items and changes in weighting patterns at intervals (rather than on the basis of a list of items and set of weights which remained unchanged throughout the period). Six series for short periods, viz., September Quarter 1948 to June Quarter 1952; June Quarter 1952 to June Quarter 1956; June Quarter 1956 to March Quarter 1960; March Quarter 1960 to December Quarter 1963; December Quarter 1963 to December Quarter 1968; and from December Quarter 1968 have therefore been constructed and linked to form a continuous retail price index series published herein as the Consumer Price Index. At times of linking the weighting pattern was altered and, in addition, new items (mainly ones that had become significant in household expenditure) were introduced. In each period between links the items and weighting have remained unchanged.

9. The indexes measure price movements in each city individually. They do not provide a comparison of the retail price level in any city with the retail price level of any other city.

10. Table 1 on page 5 of this Bulletin shows Consumer Price Index numbers for each fiscal year from 1958-59 to 1967-68 and for each quarter from December Quarter 1965. Table 2 on pages 6 and 7 shows Group Index numbers quarterly from December Quarter 1966 to March Quarter 1969.

11. The following table is provided to assist interpretation of movements shown by the Consumer Price Index from December Quarter 1968 to March Quarter 1969.

### CONSUMER PRICE INDEX

Movement from December Quarter 1968 to March Quarter 1969

Approximate Analysis in Terms of "All Groups" Index Points (a)

| Group                               | State Capital Cities - Separately and Combined              |                        |                        |                        |                        |                        |                        |                        |
|-------------------------------------|---|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
|                                     | Weighted<br>Average<br>of Six<br>State<br>Capital<br>Cities | Sydney                 | Melbourne              | Brisbane               | Adelaide               | Perth                  | Hobart                 | Canberra               |
|                                     | Index<br>Points<br>(a)                                      | Index<br>Points<br>(a) | Index<br>Points<br>(a) | Index<br>Points<br>(a) | Index<br>Points<br>(a) | Index<br>Points<br>(a) | Index<br>Points<br>(a) | Index<br>Points<br>(a) |
| Food - Meat                         | +0.3  | +0.3                   | +0.2                   | +0.2                   | +0.3                   | +0.3                   | -0.2                   | +0.2                   |
| Potatoes                            | -0.4  | -0.3                   | -0.5                   | -0.1                   | -0.7                   | ..                     | ..                     | -0.3                   |
| Other                               | +0.2  | +0.2                   | +0.2                   | +0.2                   | +0.2                   | ..                     | +0.2                   | ..                     |
| Clothing and Drapery                | ..  | ..                     | ..                     | ..                     | ..                     | ..                     | ..                     | ..                     |
| Housing                             | +0.2  | +0.2                   | +0.1                   | +0.1                   | +0.1                   | +0.2                   | +0.1                   | +0.1                   |
| Household Supplies<br>and Equipment | +0.1  | +0.1                   | ..                     | +0.1                   | +0.1                   | ..                     | +0.1                   | ..                     |
| Miscellaneous - Fares               | +0.1  | ..                     | +0.4                   | ..                     | +0.1                   | ..                     | +0.2                   | ..                     |
| Other                               | +0.2  | +0.3                   | +0.2                   | ..                     | +0.2                   | +0.2                   | +0.3                   | +0.6                   |
| Total Change<br>(Index Points)      | +0.7  | +0.8                   | +0.6                   | +0.5                   | +0.3                   | +0.7                   | +0.7                   | +0.6                   |

(a) For each city, the total change in index points since the preceding quarter is the arithmetical difference between the All Groups Index numbers for the last two quarters shown in Table 1, page 5 hereof (e.g. Weighted Average of Six State Capital Cities: December Quarter 1968, 105.7; March Quarter 1969, 106.4; difference of 0.7 index points). The dissection in this table shows the approximate amount each group has contributed to this total movement.

12. A summary of the movements of the various group indexes, together with the main quarterly price changes which affected the index between December Quarter 1968 and March Quarter 1969 is shown below:

Food Group. Changes in meat and potato prices are frequently the major cause of movements in the total index and of disparate movements between cities. The effects of changes in the price of these items in each city for this quarter are shown in the table above. The price of eggs and bread increased in virtually all capital cities.

The Food Group of the index (weighted average of the six State capital cities) showed an overall quarterly increase of 0.2%.

Clothing and Drapery Group. The index for the weighted average of the six State capital cities showed a quarterly increase of 0.3%.

Housing Group. Most cities showed rises in most sections of the group with the exception of rates. Overall the group index for the weighted average of the six State capital cities showed a quarterly increase of 0.9%.

Household Supplies and Equipment Group. The group index for the weighted average of the six State capital cities showed a quarterly increase of 0.3%.

Miscellaneous Group. Fares increased in Melbourne, Adelaide and Hobart. Hairdressing prices increased in five cities, and beer prices increased in Perth and Hobart. Motoring charges increased in all cities and the cost of third party insurance increased in Adelaide and Canberra.

The group index for the weighted average of the six State capital cities showed a quarterly increase of 1.1%.

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CANBERRA, A.C.T. 2600

24 APRIL 1969

NOTE. Inquiries concerning these statistics may be made in Canberra by telephoning 63 9111 Extension 2050 or, in each State capital, by telephoning the office of the Bureau of Census and Statistics.

TABLE 1.

CONSUMER PRICE INDEXALL GROUPS - SIX STATE CAPITAL CITIES AND CANBERRA

(Base of Index for Each City and for Six State Capital Cities combined:  
Year 1966-67 = 100.0) (a)

| Period          | State Capital Cities - Separately and Combined           |        |           |          |          |       |        | Canberra |
|-----------------|--|--------|-----------|----------|----------|-------|--------|----------|
|                 | Weighted<br>Average of<br>Six State<br>Capital<br>Cities | Sydney | Melbourne | Brisbane | Adelaide | Perth | Hobart |          |
| Year -          |  |        |           |          |          |       |        |          |
| 1958-59         | 83.6   | 84.6   | 82.9      | 82.1     | 83.6     | 83.2  | 84.1   | 85.8     |
| 1959-60         | 85.7   | 86.4   | 85.3      | 84.2     | 86.2     | 84.8  | 85.6   | 87.6     |
| 1960-61         | 89.2   | 89.6   | 89.5      | 87.1     | 89.8     | 87.9  | 90.3   | 90.3     |
| 1961-62         | 89.6   | 90.0   | 89.8      | 88.4     | 89.5     | 88.2  | 90.7   | 91.6     |
| 1962-63         | 89.7   | 90.4   | 89.7      | 88.7     | 89.2     | 88.6  | 90.7   | 91.8     |
| 1963-64         | 90.6   | 91.4   | 90.3      | 89.6     | 90.2     | 89.8  | 91.7   | 92.5     |
| 1964-65         | 94.0   | 94.5   | 94.0      | 93.0     | 93.9     | 92.5  | 94.6   | 95.3     |
| 1965-66         | 97.4   | 97.7   | 97.4      | 97.5     | 96.9     | 96.1  | 98.0   | 98.1     |
| 1966-67         | 100.0  | 100.0  | 100.0     | 100.0    | 100.0    | 100.0 | 100.0  | 100.0    |
| 1967-68         | 103.3  | 103.2  | 103.7     | 103.3    | 102.9    | 102.9 | 104.6  | 102.6    |
| Quarter -       |  |        |           |          |          |       |        |          |
| 1965 - December | 97.4   | 97.8   | 97.5      | 97.2     | 96.9     | 95.5  | 98.3   | 98.4     |
| 1966 - March    | 97.6   | 97.8   | 97.5      | 98.2     | 97.2     | 96.3  | 97.8   | 98.2     |
| June            | 98.4   | 98.3   | 98.4      | 98.4     | 98.2     | 98.1  | 98.7   | 98.5     |
| September       | 98.8   | 98.8   | 98.9      | 99.0     | 98.6     | 98.8  | 98.6   | 98.9     |
| December        | 99.7   | 99.9   | 99.6      | 99.7     | 99.7     | 99.3  | 99.2   | 99.7     |
| 1967 - March    | 100.1  | 100.1  | 100.0     | 100.3    | 100.2    | 100.3 | 100.6  | 100.1    |
| June            | 101.3  | 101.1  | 101.6     | 101.0    | 101.5    | 101.6 | 101.5  | 101.3    |
| September       | 102.7  | 102.5  | 102.9     | 102.8    | 102.6    | 102.0 | 104.3  | 102.2    |
| December        | 103.0  | 102.9  | 103.3     | 103.0    | 102.1    | 102.5 | 105.0  | 102.4    |
| 1968 - March    | 103.4  | 103.2  | 103.8     | 103.7    | 102.6    | 103.1 | 104.6  | 102.6    |
| June            | 104.2  | 104.0  | 104.8     | 103.7    | 104.2    | 104.0 | 104.6  | 103.2    |
| September       | 104.6  | 104.4  | 105.1     | 104.7    | 104.2    | 104.3 | 105.0  | 103.5    |
| December        | 105.7  | 105.9  | 106.0     | 105.3    | 105.2    | 104.9 | 105.8  | 103.9    |
| 1969 - March    | 106.4  | 106.7  | 106.6     | 105.8    | 105.5    | 105.6 | 106.5  | 104.5    |

(a) Figures appearing after the decimal point possess little significance for general statistical purposes. They are inserted to avoid the distortions that would occur in rounding off the figures to the nearest whole number.

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TABLE 2.

## CONSUMER PRICE INDEX

## GROUP INDEXES - SIX STATE CAPITAL CITIES AND CANBERRA

(Base of Each Group Index for Each City and for Six State Capital Cities combined:  
Year 1966-67 = 100.0) (a)

| Quarter                    | State Capital Cities - Separately and Combined           |        |           |          |          |       |        | Canberra |
|----------------------------|--|--------|-----------|----------|----------|-------|--------|----------|
|                            | Weighted<br>Average of<br>Six State<br>Capital<br>Cities | Sydney | Melbourne | Brisbane | Adelaide | Perth | Hobart |          |
| FOOD GROUP                 |  |        |           |          |          |       |        |          |
| 1966 - December            | 99.4   | 99.9   | 99.1      | 99.6     | 99.2     | 98.2  | 98.8   | 99.6     |
| 1967 - March               | 100.0  | 100.0  | 100.0     | 100.6    | 99.8     | 99.9  | 100.7  | 100.2    |
| June                       | 101.9  | 101.2  | 102.5     | 101.5    | 102.4    | 102.2 | 102.1  | 102.1    |
| September                  | 104.8  | 104.0  | 106.1     | 103.6    | 105.0    | 102.8 | 108.6  | 104.7    |
| December                   | 103.9  | 103.5  | 105.3     | 102.7    | 102.3    | 101.6 | 107.5  | 103.7    |
| 1968 - March               | 104.6  | 103.8  | 106.1     | 104.6    | 103.7    | 102.9 | 105.9  | 103.8    |
| June                       | 105.6  | 104.1  | 107.6     | 103.7    | 107.7    | 104.2 | 105.1  | 104.8    |
| September                  | 105.3  | 104.1  | 107.0     | 103.9    | 106.8    | 103.7 | 105.1  | 105.3    |
| December                   | 105.5  | 104.4  | 107.4     | 104.1    | 106.3    | 103.3 | 105.3  | 105.0    |
| 1969 - March               | 105.7  | 105.0  | 107.1     | 105.1    | 105.8    | 104.1 | 105.1  | 104.8    |
| CLOTHING AND DRAPERY GROUP |  |        |           |          |          |       |        |          |
| 1966 - December            | 99.8   | 99.8   | 99.9      | 99.8     | 99.9     | 99.9  | 99.9   | 99.8     |
| 1967 - March               | 100.2  | 100.1  | 100.1     | 100.1    | 100.2    | 100.1 | 100.1  | 100.1    |
| June                       | 101.1  | 101.1  | 101.1     | 101.2    | 101.1    | 101.1 | 101.2  | 101.2    |
| September                  | 101.4  | 101.4  | 101.3     | 101.6    | 101.3    | 101.4 | 101.5  | 101.5    |
| December                   | 102.1  | 102.1  | 102.1     | 102.4    | 102.1    | 102.0 | 102.3  | 102.3    |
| 1968 - March               | 102.3  | 102.4  | 102.2     | 102.6    | 102.3    | 102.3 | 102.5  | 102.5    |
| June                       | 102.8  | 102.9  | 102.8     | 103.1    | 102.9    | 102.8 | 103.1  | 102.8    |
| September                  | 103.3  | 103.3  | 103.3     | 103.6    | 103.4    | 103.4 | 103.5  | 103.4    |
| December                   | 104.1  | 104.0  | 104.1     | 104.1    | 104.3    | 104.4 | 104.5  | 104.0    |
| 1969 - March               | 104.4  | 104.4  | 104.3     | 104.4    | 104.6    | 104.7 | 104.7  | 104.3    |
| HOUSING GROUP              |  |        |           |          |          |       |        |          |
| 1966 - December            | 99.5   | 99.3   | 99.4      | 99.8     | 100.2    | 99.4  | 99.8   | 100.2    |
| 1967 - March               | 100.1  | 100.0  | 100.0     | 100.3    | 100.7    | 100.5 | 100.6  | 100.0    |
| June                       | 101.8  | 102.3  | 101.8     | 100.9    | 101.0    | 102.2 | 101.5  | 100.0    |
| September                  | 102.9  | 103.3  | 102.1     | 105.1    | 101.5    | 103.4 | 101.7  | 99.3     |
| December                   | 104.2  | 104.5  | 103.7     | 105.6    | 102.0    | 105.5 | 103.7  | 100.5    |
| 1968 - March               | 104.7  | 105.1  | 104.1     | 105.9    | 102.3    | 106.5 | 104.1  | 100.6    |
| June                       | 106.0  | 107.0  | 105.4     | 106.5    | 102.5    | 107.8 | 104.7  | 101.2    |
| September                  | 106.7  | 107.5  | 105.8     | 108.6    | 102.9    | 109.7 | 105.5  | 101.4    |
| December                   | 108.7  | 110.0  | 107.7     | 109.2    | 104.2    | 112.3 | 108.4  | 101.5    |
| 1969 - March               | 109.7  | 111.2  | 108.4     | 110.0    | 105.3    | 113.7 | 109.4  | 102.1    |

(a) Figures appearing after the decimal point possess little significance for general statistical purposes. They are inserted to avoid the distortions that would occur in rounding off the figures to the nearest whole number.

## TABLE 2. - continued

## CONSUMER PRICE INDEX

## GROUP INDEXES - SIX STATE CAPITAL CITIES AND CANBERRA

(Base of Each Group Index for Each City and for Six State Capital Cities combined:  
Year 1966-67 = 100.0) (a)

| Quarter                                | State Capital Cities - Separately and Combined           |        |           |          |          |       |        |          |
|--|--|--------|-----------|----------|----------|-------|--------|----------|
|  | Weighted<br>Average of<br>Six State<br>Capital<br>Cities | Sydney | Melbourne | Brisbane | Adelaide | Perth | Hobart | Canberra |
| HOUSEHOLD SUPPLIES AND EQUIPMENT GROUP |  |        |           |          |          |       |        |          |
| 1966 - December                        | 100.0  | 99.8   | 100.3     | 99.7     | 100.0    | 100.1 | 99.7   | 99.9     |
| 1967 - March                           | 99.9   | 99.9   | 99.8      | 100.0    | 100.0    | 100.3 | 99.9   | 100.0    |
| June                                   | 100.4  | 100.5  | 100.3     | 100.6    | 100.2    | 100.6 | 100.8  | 100.3    |
| September                              | 100.6  | 100.8  | 100.5     | 100.9    | 100.4    | 100.4 | 101.2  | 100.4    |
| December                               | 101.1  | 100.9  | 101.4     | 101.0    | 100.2    | 100.4 | 103.4  | 100.3    |
| 1968 - March                           | 101.1  | 100.9  | 101.5     | 101.1    | 100.2    | 100.6 | 103.3  | 100.4    |
| June                                   | 101.9  | 102.1  | 102.2     | 101.7    | 100.5    | 101.3 | 103.7  | 100.3    |
| September                              | 102.1  | 102.0  | 102.2     | 103.5    | 100.6    | 101.5 | 104.1  | 100.3    |
| December                               | 102.7  | 102.7  | 103.1     | 104.2    | 101.0    | 101.9 | 104.1  | 100.5    |
| 1969 - March                           | 103.0  | 103.3  | 102.8     | 104.7    | 101.4    | 102.3 | 104.7  | 100.7    |
| MISCELLANEOUS GROUP                    |  |        |           |          |          |       |        |          |
| 1966 - December                        | 100.0  | 100.4  | 99.7      | 99.8     | 99.8     | 100.0 | 99.0   | 99.2     |
| 1967 - March                           | 100.3  | 100.4  | 99.9      | 100.1    | 100.7    | 100.7 | 101.2  | 100.3    |
| June                                   | 101.0  | 100.8  | 101.3     | 100.7    | 101.5    | 101.3 | 101.5  | 101.5    |
| September                              | 101.8  | 101.7  | 101.7     | 102.3    | 101.9    | 101.5 | 103.2  | 101.7    |
| December                               | 102.8  | 103.1  | 102.2     | 103.4    | 102.5    | 103.6 | 104.7  | 103.1    |
| 1968 - March                           | 103.1  | 103.2  | 102.8     | 103.4    | 102.8    | 103.8 | 104.8  | 103.4    |
| June                                   | 103.6  | 103.8  | 103.4     | 103.7    | 103.0    | 104.0 | 105.3  | 103.9    |
| September                              | 105.1  | 105.2  | 105.3     | 105.0    | 103.8    | 104.5 | 106.3  | 104.5    |
| December                               | 107.3  | 108.7  | 106.6     | 106.1    | 107.0    | 105.4 | 107.3  | 105.7    |
| 1969 - March                           | 108.5  | 109.8  | 108.6     | 106.3    | 107.9    | 105.9 | 109.0  | 107.6    |
| ALL GROUPS                             |  |        |           |          |          |       |        |          |
| 1966 - December                        | 99.7   | 99.9   | 99.6      | 99.7     | 99.7     | 99.3  | 99.2   | 99.7     |
| 1967 - March                           | 100.1  | 100.1  | 100.0     | 100.3    | 100.2    | 100.3 | 100.6  | 100.1    |
| June                                   | 101.3  | 101.1  | 101.6     | 101.0    | 101.5    | 101.6 | 101.5  | 101.3    |
| September                              | 102.7  | 102.5  | 102.9     | 102.8    | 102.6    | 102.0 | 104.3  | 102.2    |
| December                               | 103.0  | 102.9  | 103.3     | 103.0    | 102.1    | 102.5 | 105.0  | 102.4    |
| 1968 - March                           | 103.4  | 103.2  | 103.8     | 103.7    | 102.6    | 103.1 | 104.6  | 102.6    |
| June                                   | 104.2  | 104.0  | 104.8     | 103.7    | 104.2    | 104.0 | 104.6  | 103.2    |
| September                              | 104.6  | 104.4  | 105.1     | 104.7    | 104.2    | 104.3 | 105.0  | 103.5    |
| December                               | 105.7  | 105.9  | 106.0     | 105.3    | 105.2    | 104.9 | 105.8  | 103.9    |
| 1969 - March                           | 106.4  | 106.7  | 106.6     | 105.8    | 105.5    | 105.6 | 106.5  | 104.5    |

(a) Figures appearing after the decimal point possess little significance for general statistical purposes. They are inserted to avoid the distortions that would occur in rounding off the figures to the nearest whole number.

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APPENDIX

1. The Consumer Price Index is a chain of "fixed weight aggregative" indexes, links having previously been effected at June Quarter, 1952, June Quarter, 1956, March Quarter, 1960 and December Quarter, 1963. A further link in the series has now been made as at December Quarter, 1968. Price change between December Quarter, 1963 and March Quarter, 1969, has thus been measured on the basis of the changed list of items and weights. The weighting of this sixth linked index has been derived from recently completed analyses of data from the Population Census of 1966, from recent statistics and estimates of production, consumption, etc., and from several special purpose sample surveys.

2. During each period between links the items and weighting remain unchanged. At times of linking the weighting pattern is brought up-to-date and the list of items is reviewed. Under this method, in effect, average percentage price movements are assessed on one pattern up to the time of the link and on another pattern thereafter. The process of linking ensures that the series reflects only price variations and not differences in cost of the old and new combinations and lists of items. The introduction of new items and weights by linking does not, of itself, raise or lower the level of the index.

3. Table A attached shows, in sectional detail, the composition and weighting of the Consumer Price Index as from December Quarter, 1968. The weights shown are those comprised in the index for the six State capital cities combined. They indicate the relative influence given to the various components in measuring the degree of price change in the index from December Quarter, 1968 (i.e. from the beginning of the new linked series).

4. Changes from the previous (fifth) linked series are:-

- (a) Weights of all items have been reviewed and, in general, are now based on the pattern of consumption of the years 1962-63 to 1966-67.
- (b) Services by dentists, doctors, hospitals and health insurance funds have been added to the list of items. The weighting of these items is in accordance with estimates of expenditure by wage earner households in recent years. Commonwealth benefits are not included in the weights. As contributions by members to health insurance funds, overall, are returned to fund members except for the proportion of contributions retained by the funds for management expenses and reserves, transactions between members and funds do not affect the weighting and pricing of the health service items except for this retained portion.

Prices used are those for representative specific services by dentists and doctors, for bed-days in hospitals, and for the operation of insurance funds. Where Commonwealth benefits operate, these are subtracted to give net prices as payable by households.

It is considered that this method provides a satisfactory basis for the measurement of price change in this field of expenditure, at least in the short term. However, the problem of measuring long-term changes in price of some of these items in terms of constant quality is intractable, and, in addition, any marked changes in the elements of the situation may necessitate altered procedures in the index.

- (c) Following analysis of data obtained in the 1966 Population Census, rented privately owned flats (government owned in Canberra) have been added to the list of items in the Housing Group of the index



for the six State capital cities. Thus the Housing Group is now constructed as a combination of four sectors of households:-

- (i) those renting an unfurnished house from a private owner;
  - (ii) those occupying a house let by a State housing authority under a government rental housing scheme;
  - (iii) those renting an unfurnished flat from a private owner (government owned in Canberra); and
  - (iv) those that own or are purchasing the house which they occupy (in respect of the items house price, rates and repairs and maintenance).
- (d) For housing as a whole the weights take account of data derived from the Population Census of 1966.
- (e) The weight for "house price" has been adjusted to reflect a rate of acquisition over the period between the Population Censuses of 1947 and 1966.
- (f) The weight for repairs and maintenance in the housing group is derived from information obtained from special household surveys in each city in 1968. Price series now include measures of change in the cost of tradesmen's labour as well as prices of materials used for repairs and maintenance.
- (g) The weights for fuel (other than gas and electricity) have been derived from special household surveys in 1968 in each city and new items introduced into the index are heating oil and briquettes for some cities.
- (h) The weights for gas and electricity, and fares are based on estimates of the pattern of consumption in 1966-67.
- (i) Poultry has been added to the list of items in the index. Local weights for individual cities are now used for soft drink. Some other new items of less significance have been included and some items of minor significance have been deleted.
- (j) Potatoes and onions are priced each week and the average of the relevant weekly prices are now used in the index as the representative price for the month. All other items in the food group of the index continue to be priced as at the middle of each month.

5. The overall effect of these changes on the composition and weighting is illustrated in Table B attached. Corresponding changes at the preceding four points of linking are also shown. The table shows group and sub-group weighting patterns in the index at the beginning of each linked period together with their proportionate contribution at the end of each of the first five linked periods. The differences between the proportions at the beginning and end of each linked period reflect disparate price movements over that period. The differences in proportion between the end of one period and the beginning of the next reflect changes in composition or weighting.

6. For more detailed treatment of the nature etc. of the Consumer Price Index see Chapter One of Labour Report No.52, 1965 and 1966.

TABLE A. CONSUMER PRICE INDEX - SIX STATE CAPITAL CITIES COMBINED

COMPOSITION AND WEIGHTING PATTERN AS AT DECEMBER QUARTER 1968

| Group, Section, etc.   | Percentage Weight (a) |       |
|--|-----------------------|-------|
|  | Section, etc.         | Group |
| FOOD -   |                       | 31.3  |
| Cereal Products .. .. .  | 4.1                   |       |
| Dairy Produce .. .. .  | 6.0                   |       |
| Potatoes, Onions, Preserved Fruit and Vegetables .. .. .       | 2.7                   |       |
| Soft Drink, Ice Cream and Confectionery .. .. .                | 4.3                   |       |
| Other (except Meat) .. .. .                                    | 3.3                   |       |
| Meat - Butcher's .. .. .                                       | 8.4                   |       |
| Processed, including poultry .. .. .                           | 2.5                   |       |
| CLOTHING AND DRAPERY -   |                       | 14.1  |
| Men's Clothing .. .. .   | 3.6                   |       |
| Women's Clothing .. .. .                                       | 5.0                   |       |
| Boys' Clothing .. .. .   | 0.6                   |       |
| Girls' Clothing .. .. .  | 0.8                   |       |
| Piecegoods, etc. .. .. .                                       | 0.8                   |       |
| Footwear .. .. .   | 2.5                   |       |
| Household Drapery .. .. .                                      | 0.8                   |       |
| HOUSING -  |                       | 14.2  |
| Rent - Privately owned houses .. .. .                          | 2.1                   |       |
| Government owned houses .. .. .                                | 0.9                   |       |
| Privately owned flats .. .. .                                  | 3.1                   |       |
| Home Ownership - House price .. .. .                           | 3.4                   |       |
| Rates .. .. .  | 2.7                   |       |
| Repairs and Maintenance .. .. .                                | 2.0                   |       |
| HOUSEHOLD SUPPLIES AND EQUIPMENT -                             |                       | 12.5  |
| Fuel and Light - Electricity .. .. .                           | 2.4                   |       |
| Gas .. .. .  | 1.0                   |       |
| Other (Firewood, heating oil, briquettes and kerosene) .. .. . | 0.6                   |       |
| Household Appliances .. .. .                                   | 2.6                   |       |
| Other Household Articles -                                     |                       |       |
| Furniture and Floor Coverings .. .. .                          | 1.9                   |       |
| Kitchen and Other Utensils, Gardening and Small Tools .. .. .  | 0.7                   |       |
| Household Sundries (Household soaps, etc.) .. .. .             | 1.0                   |       |
| Personal Requisites (Toilet soap, cosmetics, etc.) .. .. .     | 1.2                   |       |
| Proprietary Medicines .. .. .                                  | 0.9                   |       |
| Stationery .. .. .   | 0.2                   |       |
| MISCELLANEOUS -  |                       | 27.9  |
| Transport - Fares - Train .. .. .                              | 1.0                   |       |
| Bus and tram .. .. .   | 1.5                   |       |
| Private Motoring - Car purchase .. .. .                        | 3.4                   |       |
| Car operation .. .. .  | 5.8                   |       |
| Tobacco and Cigarettes .. .. .                                 | 3.6                   |       |
| Beer .. .. .   | 3.7                   |       |
| Services - Health (Dentist, Doctor, Hospital) .. .. .          | 3.3                   |       |
| Hairdressing .. .. .   | 0.7                   |       |
| Drycleaning .. .. .  | 0.5                   |       |
| Shoe Repairs .. .. .   | 0.2                   |       |
| Postal and Telephone Services .. .. .                          | 1.1                   |       |
| Other - Radio and Television operation .. .. .                 | 1.1                   |       |
| Cinema Admission .. .. .                                       | 0.8                   |       |
| Newspapers and Weekly Magazines .. .. .                        | 1.2                   |       |
| TOTAL .. .. .  | 100.0                 | 100.0 |

(a) Weights shown are in proportion to the estimated pattern of consumption, described in paragraph 4 of the Appendix, valued at relevant prices of December Quarter, 1968.

NOTE - The weights should not be regarded as dissecting total household expenditure into its component parts (see page 12 of Labour Report No. 52, 1965 and 1966).

TABLE B - CONSUMER PRICE INDEX : ANALYSIS OF WEIGHTING IN THE SIX LINKED SERIES

| Group, etc.   | Percentage Contribution to Total Index (Weighted Average of Six Capital Cities) |                   |                      |                   |                     |                    |                      |                       |                       |                       |                       |
|---|---|-------------------|----------------------|-------------------|---------------------|--------------------|----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|   | First Linked Series   |                   | Second Linked Series |                   | Third Linked Series |                    | Fourth Linked Series |                       | Fifth Linked Series   |                       | Sixth Linked Series   |
|   | June Quarter 1949 (a)   | June Quarter 1952 | June Quarter 1952    | June Quarter 1956 | June Quarter 1956   | March Quarter 1960 | March Quarter 1960   | December Quarter 1963 | December Quarter 1963 | December Quarter 1968 | December Quarter 1968 |
|   | Per cent  | Per cent          | Per cent             | Per cent          | Per cent            | Per cent           | Per cent             | Per cent              | Per cent              | Per cent              | Per cent              |
| Food Group ..   | 31.3  | 35.7              | 33.6                 | 34.3              | 33.7                | 33.0               | 32.1                 | 31.6                  | 32.1                  | 32.8                  | 31.3                  |
| Clothing and Drapery Group  | 22.8  | 23.0              | 21.6                 | 20.0              | 19.7                | 19.5               | 19.0                 | 18.8                  | 16.9                  | 15.8                  | 14.1                  |
| Housing Group -   |   |                   |                      |                   |                     |                    |                      |                       |                       |                       |                       |
| Home Ownership ..   | 5.4)  | 5.1)              | 6.5)                 | 7.2)              | 7.8)                | 8.1)               | 7.8)                 | 8.4)                  | 9.0)                  | 9.4)                  | 8.1)                  |
| Rent -  |   |                   |                      |                   |                     |                    |                      |                       |                       |                       |                       |
| Privately owned Houses  | 5.7)11.4  | 3.9) 9.2          | 2.2) 9.4             | 2.5)10.5          | 1.8)10.5            | 2.0)11.0           | 2.0)10.7             | 2.7)12.0              | 2.8)12.6              | 3.0)13.2              | 2.1)14.2              |
| Government owned Houses   | 0.3)  | 0.2)              | 0.7)                 | 0.8)              | 0.9)                | 0.9)               | 0.9)                 | 0.9)                  | 0.8)                  | 0.8)                  | 0.9)                  |
| Privately owned Flats   | (b)   | (b)               | (b)                  | (b)               | (b)                 | (b)                | (b)                  | (b)                   | (b)                   | (b)                   | 3.1)                  |
| Household Supplies and Equipment Group -                              |   |                   |                      |                   |                     |                    |                      |                       |                       |                       |                       |
| Fuel and light ..   | 3.5)  | 3.7)              | 3.8)                 | 3.7)              | 4.3)                | 4.3)               | 4.2)                 | 4.2)                  | 4.6)                  | 4.3)                  | 4.0)                  |
| Household Appliances  | 4.2)13.1  | 3.6)12.2          | 3.3)11.7             | 2.8)10.9          | 2.7)11.6            | 2.5)11.5           | 4.5)13.2             | 4.0)12.6              | 3.6)14.5              | 2.8)13.1              | 2.6)12.5              |
| Other Household Articles  | 5.4)  | 4.9)              | 4.6)                 | 4.4)              | 4.6)                | 4.7)               | 4.5)                 | 4.4)                  | (c)6.3)               | 6.0)                  | 5.9)                  |
| Miscellaneous -   |   |                   |                      |                   |                     |                    |                      |                       |                       |                       |                       |
| Transport -   |   |                   |                      |                   |                     |                    |                      |                       |                       |                       |                       |
| Fares ..  | 6.3)  | 6.1)              | 4.4)                 | 4.8)              | 3.7)                | 4.5)               | 4.4)                 | 4.7)                  | 3.1)                  | 3.7)                  | 2.5)                  |
| Private Motoring  | (b)   | (b)               | 6.1)                 | 5.8)              | 7.4)                | 7.1)               | 6.9)                 | 6.6)                  | 7.4)                  | 7.3)                  | 9.2)                  |
| Tobacco and Cigarettes  | 5.6)  | 4.5)              | 4.2)                 | 4.3)              | 4.2)                | 4.0)               | 3.9)                 | 3.8)                  | 3.9)                  | 4.0)                  | 3.6)                  |
| Beer  | 4.6)21.4  | 4.2)19.9          | 4.0)23.7             | 4.5)24.3          | 4.4)24.5            | 4.2)25.0           | 4.1)25.0             | 4.1)25.0              | 3.8)23.9              | 4.0)25.1              | 3.7)27.9              |
| Services, Cinema, Radio and Television Licences, and Newspapers, etc. |   |                   |                      |                   |                     |                    |                      |                       |                       |                       |                       |
|   | 4.9)  | 5.1)              | 5.0)                 | 4.9)              | 4.8)                | 5.2)               | 5.7)                 | 5.8)                  | 5.7)                  | 6.1)                  | (d)8.9)               |
| <b>TOTAL:</b>   | 100.0   | 100.0             | 100.0                | 100.0             | 100.0               | 100.0              | 100.0                | 100.0                 | 100.0                 | 100.0                 | 100.0                 |

TABLE B  
11.

(a) Originally compiled as start of first linked series. This series subsequently taken back (on this basis) to September Quarter 1948.

(b) Not included.

(c) Furniture included as from December Quarter 1963 with percentage contribution to total index of 1.7%.

(d) Health services included as from December Quarter 1968 with percentage contribution to total index of 3.3%.