



Information Paper

Update on ANZSIC 2006 Implementation for Producer and International Trade Price Indexes

Australia

2009

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Implementation for
Producer and
International Trade Price
Indexes**

Australia

2009

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AUSTRALIAN BUREAU OF STATISTICS

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ABBREVIATIONS

ABS	Australian Bureau of Statistics
ANZSIC	Australian and New Zealand Standard Industrial Classification
c.i.f.	cost, insurance and freight
EPI	export price index
f.o.b.	free on board
IPI	import price index
ISIC	International Standard Industrial Classification
ITPI	International Trade Price Indexes
mfg	manufacturing
n.e.c.	not elsewhere classified
NAICS	North American Industry Classification System
PPI	producer price index
SITC	Standard International Trade Classification
SOP	stage of production

INTRODUCTION

INTRODUCTION

This paper provides information about the implementation of the new Australian and New Zealand Standard Industrial Classification (ANZSIC 2006), in the Producer Price Indexes and the International Trade Price Indexes. This information paper is complementary to more general information papers, cat. no. 1295.0 and cat. no. 1295.0.55.001, which outlined plans for the release and adoption of ANZSIC 2006 across a range of statistics produced by the ABS.

The Producer and International Trade Price Indexes will be presented using the ANZSIC 2006 classification from the September quarter 2009 releases (26 October and 23 October 2009 respectively).

For Producer or International Trade Price Indexes specific information on ANZSIC 2006 please contact Christine McLaughlin, Acting Director, Producer Price Indexes, on telephone (02) 6252 6252 or email <christine.mclaughlin@abs.gov.au>.

For more information on the ANZSIC 2006 and its implementation across a range of ABS statistics, please contact Celia Quiatchon, ANZSIC Implementation Manager, on telephone (02) 6252 5604 or email <c.quiatchon@abs.gov.au>.

CHAPTER 1 OVERVIEW

OVERVIEW

This information paper provides users of the Producer Price Indexes (PPIs) and International Trade Price Indexes (ITPIs) with details on the implementation of the new Australian and New Zealand Standard Industrial Classification (ANZSIC 2006).

In 2002, the Australian Bureau of Statistics (ABS) and Statistics New Zealand commenced a review to maintain the currency and relevance of ANZSIC. The review found that since the release of the original classification in 1993 there had been significant changes in industrial and business activities in both Australia and New Zealand. The 2006 edition of ANZSIC was released in February 2006. An electronic version of the ANZSIC 2006 classification is available free of charge from the ABS website, titled *Australian and New Zealand Standard Industrial Classification, (ANZSIC), 2006* (cat. no. 1292.0).

Major outcomes from the implementation of ANZSIC 2006 include:

- some restructuring and/or renaming of previous ANZSIC 1993 PPI and ITPI series
- introduction of some new series (formed from relevant ANZSIC 1993 series)
- a change in scope of PPI manufacturing series from net to gross sector (see Scope change – gross sector approach)
- introduction of a new weighting pattern; and
- a changed presentation and format of *Producer Price Indexes, Australia* (cat. no. 6427.0).

An overview of the changes relating to the implementation of ANZSIC 2006 in the PPI and ITPI series was presented in the Appendix of the March quarter 2009 issues of *Producer Price Indexes, Australia* (cat. no. 6427.0) and *International Trade Price Indexes, Australia* (cat. no. 6457.0) respectively. Correspondences between the old (ANZSIC 1993) and new (ANZSIC 2006) series are available via the 'Downloads' tab of the March quarter 2009 issues on the ABS website.

This information paper provides more detail on the implementation, including key information on the new index structures and their weighting patterns (see Appendix 1), as well as other changes to the series. A concordance of old to new PPI tables is presented in Appendix 2. A sample copy of the September quarter 2009 PPI publication is in Appendix 3 of this information paper.

Information relating to the time series identifiers for the new and changed PPI series and table presentations under an ANZSIC 2006 classification are available via the 'Downloads' tab of this information paper on the ABS website.

CHAPTER 2 ABOUT ANZSIC 2006

THE ANZSIC REVIEW

In 2002, the ABS and Statistics New Zealand commenced a review to maintain the currency and relevance of ANZSIC. Since the release of the original classification in 1993 there had been significant changes in structure, composition and organisation of industrial and business activities in both Australia and New Zealand. The review found that new materials, technologies and production techniques had been adopted which affected the way industries and business operate, as well as the emergence of new industries which needed to be included in the classification. The publication is available free of charge from the ABS website, titled *Australian and New Zealand Standard Industrial Classification (ANZSIC), 2006* (cat. no. 1292.0). That publication also includes correspondence tables between the old (ANZSIC 1993) and new (ANZSIC 2006) classifications.

ANZSIC 2006 involved a substantial review of the classification, including extensive consultation with internal and external users and alignment with the International Standard Industrial Classification of All Economic Activities (ISIC). Consequently, ANZSIC 2006 provides a more contemporary and internationally comparable industrial classification system than its predecessor, ANZSIC 1993. For example, a range of new economic activities has been recognised.

CHANGES FROM ANZSIC 1993 TO ANZSIC 2006

It is important for users of industry data to note that the review of ANZSIC involved substantial change to the structure below the industry division level. While many of the divisions in ANZSIC 2006 have the same name as the divisions in ANZSIC 1993, the groupings of activities below this level can be quite different. Users are advised to refer to the full correspondence to understand the degree of change below the division level.

One of the impacts of the redevelopment of the ANZSIC is an increase in the number of industries at each level of the classification. ANZSIC 2006 separately identifies 19 divisions, compared with 17 in ANZSIC 1993.

A new Information, media and telecommunications division has been introduced. It groups units mainly engaged in the creation and storing of information products for dissemination purposes; transmitting information products using analogue and digital signals; and providing transmission and storage services for information products. This has been identified as a rapidly growing sector in the Australian and New Zealand economies since the last review. The proposed International Standard Industrial Classification (ISIC) Rev. 4 and North American Industry Classification System (NAICS) 2002 also recognise these activities in a separate division.

The very large and diverse Property and business services division in ANZSIC 1993, together with some other services, have been rearranged into three new divisions in ANZSIC 2006: Rental, hiring and real estate services; Professional, scientific and technical services; and Administrative and support services. The three separate divisions again align with the proposed ISIC Rev. 4 and NAICS 2002.

IMPACTS ON PPI AND ITPI SERIES

As a result of the classification changes, some existing producer and international trade price indexes time series will no longer be available. Some time series will continue, but with a name or industry label change. Some time series will continue with a name change as well as a change to the composition of the activities contributing to that index, but these changes were not deemed to be significant enough to warrant termination of

CHAPTER 2 ABOUT ANZSIC 2006 *continued*

IMPACTS ON PPI AND ITPI
SERIES *continued*

the time series. Some new series will be created with historical data available back to September quarter 2001, using relevant components from the ANZSIC 1993 series. The following chapters describe the impacts on the PPI and ITPI series in more detail.

CHAPTER 3 IMPLEMENTATION OF ANZSIC 2006 IN PPI

KEY CHANGES – PRODUCER PRICE INDEXES (PPI)

Overview

Under ANZSIC 2006, selected PPI series will be:

- discontinued (from September quarter 2009)
- a continuation of a previously existing ANZSIC 1993 series with a name change only
- a continuation of a previously existing ANZSIC 1993 series with a compositional change only
- a continuation of a previously existing ANZSIC 1993 series with both a name and a compositional change
- a new series formed from relevant ANZSIC 1993 series and backcast to September quarter 2001, with a reference base 2001–02 = 100.0.

Discontinued Series

The following currently published time series from the old tables, as shown, will be discontinued under ANZSIC 2006:

A2333646K – Index Number; 41 General construction Australia (Tables 15 and 16)

A2333647L – Percentage change from previous period; 41 General construction Australia (Tables 15 and 16)

A2333648R – Percentage change from corresponding quarter of previous year; 41 General construction Australia (Tables 15 and 16)

A2333667W – 41 General construction New South Wales (Tables 15 and 16)

A2333688J – 41 General construction Victoria (Tables 15 and 16)

A2333709J – 41 General construction Queensland (Tables 15 and 16)

A2333730A – 41 General construction South Australia (Tables 15 and 16)

A2333751L – 41 General construction Western Australia (Tables 15 and 16)

A2333772X – 41 General construction Tasmania (Tables 15 and 16)

A2333793K – 41 General construction Northern Territory (Tables 15 and 16)

A2333814K – 41 General construction Australian Capital Territory (Tables 15 and 16)

A2333661J – 412 Non-building construction Australia (Tables 15 and 16)

A2333682V – 412 Non-building construction New South Wales (Tables 15 and 16)

A2333703V – 412 Non-building construction Victoria (Tables 15 and 16)

A2333724F – 412 Non-building construction Queensland (Tables 15 and 16)

A2333745T – 412 Non-building construction South Australia (Tables 15 and 16)

A2333766C – 412 Non-building construction Western Australia (Tables 15 and 16)

A2314052W – Div I Transport and storage (Tables 20, 21 and 33)

A2314053X – Percentage change from previous quarter; Div I Transport and storage (Tables 20, 21 and 33)

A2314054A – Percentage change from corresponding quarter of previous year; Div I Transport and storage (Tables 20, 21 and 33)

A2314085T – 64 Air and space transport (Tables 20, 21 and 33)

CHAPTER 3 IMPLEMENTATION OF ANZSIC 2006 IN PPI *continued*

Discontinued Series continued

A2314088X – 640 Air and space transport (Tables 20, 21 and 33)

A2314091L – 6401 Scheduled international air transport (Tables 20, 21 and 33)

A2314094V – 6402 Scheduled domestic air transport (Tables 20, 21 and 33)

A2314097A – 65 Other transport (Tables 20, 21 and 33)

A2314100C – 650 Other transport (Tables 20, 21 and 33)

A2314106T – 66 Services to transport (Tables 20, 21 and 33)

A2314109X – 661 Services to road transport (Tables 20, 21 and 33)

A2314136F – 664 Other services to transport (Tables 20, 21 and 33)

A2314154K – Div L Property and business services (Tables 22, 23 and 34)

A2314155L – Percentage change from previous quarter; Div L Property and business services (Tables 22, 23 and 34)

A2314156R – Percentage change from corresponding quarter of previous year; Div L Property and business services (Tables 22, 23 and 34)

A2314157T – 77 Property services (Tables 22, 23 and 34)

A2314160F – 771 Property operators and developers (Tables 22, 23 and 34)

A2314181T – 7743 Plant hiring or leasing (Tables 22, 23 and 34)

A2314214A – 7833 Computer maintenance services (Tables 22, 23 and 34)

A2314232F – 7851 Advertising services (Tables 22, 23 and 34)

Name Change

A number of time series in the new ANZSIC 2006 classification are a continuation of previous ANZSIC 1993 time series with only a change in name/label. For example, in the current *Producer Price Indexes, Australia* (cat. no. 6427.0) tables 10 and 11, the time series '211 Meat and meat products' will now be labelled '111 Meat and meat product manufacturing' with a direct one-for-one correspondence between the old and new time series. Time series which are linked and differ by a name change only are identified by a single (a) footnote in the spreadsheet titled 'Table 2_ANZSIC 2006 to 1993' of the correspondence table available via the 'Downloads' tab of the March quarter 2009 release of *Producer Price Indexes, Australia* (cat. no. 6427.0).

Compositional Change

A number of time series in the new ANZSIC 2006 classification are a continuation of previous ANZSIC 1993 series with only a minor change to the composition of the ANZSIC 1993 time series. The compositional change was deemed sufficiently minor to warrant the continuation of the existing time series. For example, under ANZSIC 1993 the time series 'Manufacturing division' (available in tables 10 and 11 of *Producer Price Indexes, Australia* (cat. no. 6427.0)) will keep the same label ('Manufacturing division') but will now consist of different subdivisions, groups and classes, as for example, the 'publishing' activities are no longer included within the manufacturing division. Time series which are linked and differ by a compositional change only are identified by a single (b) footnote in the spreadsheet titled 'Table 2_ANZSIC 2006 to 1993' of the correspondence

CHAPTER 3 IMPLEMENTATION OF ANZSIC 2006 IN PPI *continued*

Compositional Change continued

table available via the 'Downloads' tab of the March quarter 2009 release of *Producer Price Indexes, Australia* (cat. no. 6427.0).

Name and Compositional Change

A number of time series in the new ANZSIC 2006 classification are a continuation of a previous ANZSIC 1993 time series, but with a name change and a compositional change. The nature of the compositional change was deemed sufficiently minor to warrant the continuation of the existing time series. For example, part of the ANZSIC 1993 time series '2129 Dairy product manufacturing nec' and part of '2121 Milk and cream processing' (available in tables 10 and 11 of *Producer Price Indexes, Australia* (cat. no. 6427.0)) are now both covered in the new (ANZSIC 2006) time series '1133 Cheese and other dairy product manufacturing'. Time series which are linked and differ by both a name and compositional change are identified by footnotes (a) and (b) in the spreadsheet titled 'Table 2_ANZSIC 2006 to 1993' of the correspondence table available via the 'Downloads' tab of the March quarter 2009 release of *Producer Price Indexes, Australia* (cat. no. 6427.0). The reference base for linked series with name and/or minor compositional changes remains 1989 – 90 = 100.0.

New Series

Where the compositional change to the existing time series was deemed to be sufficiently significant, a new ANZSIC 2006 time series was formed from the relevant ANZSIC 1993 time series. For example, the old (ANZSIC 1993) time series '21 Food, beverage and tobacco manufacturing' (available in tables 10 and 11 of *Producer Price Indexes, Australia* (cat. no. 6427.0)) has been discontinued and split into two new (ANZSIC 2006) time series: '11 Food product manufacturing' and '12 Beverage and tobacco product manufacturing'. The new series comprise the relevant components of the old (ANZSIC 1993) time series. These new time series have been backcast to September quarter 2001 using the relevant ANZSIC 1993 components and have a reference base 2001–02 = 100.0. These new time series are identified by a single (c) footnote in the spreadsheet titled 'Table 2_ANZSIC 2006 to 1993' of the correspondence table available via the 'Downloads' tab of the March quarter 2009 release of *Producer Price Indexes, Australia* (cat. no. 6427.0).

In addition to the new series formed due to compositional changes, from the September quarter 2009 price indexes for ANZSIC 2006 group 510 'Postal and courier pickup and delivery services' will be available. The series will commence in September quarter 2001, with quarterly index numbers available in time series spreadsheets from the September quarter 2009 issue of *Producer Price Indexes, Australia* (cat. no. 6427.0).

SCOPE CHANGE – GROSS SECTOR APPROACH

Currently, the manufacturing division output and input indexes are constructed on a net sector basis with intra-sector transactions netted out (where sector is defined as the industry groupings). From September quarter 2009 these indexes will change from a net sector basis to a gross sector basis. The impact of this change is that the scope of the output indexes (currently available in tables 10 and 11 of *Producer Price Indexes, Australia* (cat. no. 6427.0)) will now include transactions in produced articles primary to the defined sector of Australian manufacturing industries that are sold or transferred to domestic establishments within that sector for further processing, outside that sector, used as capital equipment, or exported. Similarly, the scope of the manufacturing industry input indexes (currently available in tables 12, 13 and 14 of *Producer Price Indexes, Australia* (cat. no. 6427.0)) will now relate to transactions in materials used in

SCOPE CHANGE – GROSS SECTOR APPROACH *continued* defined sectors of the Australian manufacturing industry that are produced domestically by establishments within the manufacturing sector, outside the manufacturing sector or imported.

Following further analysis and discussions with key users of the indexes, the ABS has determined that the potential for distortion from multiple counting of changes in transaction prices is low. An advantage of the gross sector approach is improved coverage of transactions primary to the targeted sector of the economy.

RE-WEIGHTING AND WEIGHTING PATTERNS The producer price indexes are fixed weighted indexes of the Laspeyres form. The list of items and lower level weights are updated periodically to ensure they remain representative. Upper level weights, however, remain fixed until a full index structure review is undertaken. The introduction of ANZSIC 2006 enabled incorporation of updated upper level weights. Weights are usually expressed in terms of value shares because quantities are not meaningful or consistent across commodities and services.

Manufacturing Industries The underlying weighting patterns for the manufacturing industries indexes have been updated using detailed 2001–02 input–output data. For the input price indexes, the value aggregates are the cost of the input products to the purchaser. In a supply–use framework, this is the cost of intermediate inputs valued at purchasers' prices. For the output price indexes, the value aggregates are the value of production at basic prices.

Construction Industry In January 2008 an information paper was released which describes the changes being made to the producer price indexes as a result of the introduction of new weights for the price indexes for the output of the construction industry. The information paper described the broad outcomes of the review, the data used in deriving the weights and presented the updated weighting pattern. It also presented some information on the concepts behind the index and the methods and data used to produce it. This information paper is available from the ABS website, titled *Information Paper: Changes to the Weights of the Price Indexes for the Output of the General Construction Industry* (cat. no. 6406.0).

From December quarter 2007 index numbers have been calculated using an updated upper level weighting pattern in which input–output values for 2001–02 have replaced 1996–97 values.

Service Industries Similarly to the manufacturing and construction industry producer price indexes, the underlying weighting patterns for the service industries producer price indexes have been updated using detailed 2001–2002 input–output data.

Weighting Patterns The new weighting patterns for the manufacturing, construction and service industries producer price indexes are presented in Appendix 1. Weighting patterns for the manufacturing industries associated with ANZSIC 2006 subdivision indexes are available as data cubes associated with this information paper from the ABS website. The weighting patterns detail the relative percentage contributions of all contributing ANZSIC subdivisions, groups, and classes, however, only selected subdivisions, groups and classes are available for release.

*Stage of Production
Indexes Remain on ANZSIC
1993 Basis*

The updated weighting pattern being used for the producer price indexes from the September quarter 2009 onwards with the introduction of ANZSIC 2006 will not extend to the stage of production (SOP) indexes. This is because the input–output data required to update the SOP weights on an ANZSIC 2006 basis are not yet available (weighting data are expected to be available in 2010 for incorporation in the SOP indexes in 2011). It will therefore not be possible to produce the SOP indexes on an ANZSIC 2006 basis in the September quarter 2009.

As the component producer price index series that are used to derive the SOP series will be based on ANZSIC 2006, a mapping process will be done to enable the SOP series to continue to be produced on an ANZSIC 1993 basis.

CHAPTER 4 IMPLEMENTATION OF ANZSIC 2006 IN ITPI

KEY CHANGES – INTERNATIONAL TRADE PRICE INDEXES (ITPI)

Overview

While the majority of Export Price Indexes (EPI) and Import Price Indexes (IPI) are represented by sections of the Standard International Trade Classification (SITC Rev. 4) or Balance of Payments Broad Economic Categories, three currently released time series spreadsheets and one data cube (all available to download on the ABS website) are represented by ANZSIC 1993 and are therefore impacted by the transition to ANZSIC 2006.

As a result of the classification changes, some existing ITPI time series will no longer be available. Some time series will continue, but with a name or industry label change only. Some time series will continue with a name change and change to the composition of the activities contributing to that index, but these changes were not deemed to be significant enough to warrant termination of the time series. Some new time series will be created with historical data available from September quarter 2001, using relevant components from the ANZSIC 1993 time series. Some of the more significant changes are itemised below. Details of all of the changes can be found in the correspondence table showing the relationship between the old (ANZSIC 1993) and new (ANZSIC 2006) series available via the 'Downloads' tab of the March quarter 2009 issue of *International Trade Price Indexes, Australia* (cat. no. 6457.0).

Discontinued Series

The currently published Import Price Index series Mining n.e.c. (ANZSIC 1993 group 142) will be discontinued from the September quarter 2009 onwards as it will no longer be available at the ANZSIC group level. Mining data will continue to be available under ANZSIC 2006 Subdivision 06 – Coal mining, Subdivision 08 – Metal ore mining, and Division B – Mining.

The currently published Import Price Index series Textiles (ANZSIC 1993 groups 221 – 222) and Clothing, footwear and leather (ANZSIC 1993 groups 223 – 226) will be discontinued as these time series will no longer be available at the group level. These time series will be combined and made available under ANZSIC 2006 Subdivision 13 – Textile, leather, clothing and footwear manufacturing.

The currently published Import Price Index and Export Price Index time series Food, beverage and tobacco manufacturing (ANZSIC 1993 Subdivision 21) will be discontinued. Under ANZSIC 2006 there will be two new time series: Subdivision 11 – Food product manufacturing; and Subdivision 12 – Beverage and tobacco product manufacturing.

The currently published Import Price Index time series Printing, publishing and recorded media (ANZSIC 1993 groups 241–243) will be discontinued. Under ANZSIC 2006 this series will no longer be available as part of ANZSIC 2006 Manufacturing – Division C.

Weighting Patterns

The International Trade Price Indexes are presented in accordance with a number of classifications, including ANZSIC which classifies products to a particular industry. The implementation of ANZSIC 2006 will be reflected in the weighting patterns.

CHAPTER 5 OUTPUT STRATEGY FOR PPI AND ITPI

OUTPUT STRATEGY

With the exception of the stage of production indexes, all of the producer and international trade price indexes will implement ANZSIC 2006 in the September quarter 2009 publications.

All existing data series based on ANZSIC 1993 that are currently available from the ABS website will still be accessible to users via earlier releases of the PPI and ITPI publications after the transition to ANZSIC 2006. However, users must note that time series based on ANZSIC 1993 will not be updated after the June quarter 2009.

CONCEPTS, SOURCES AND METHODS

Information Paper: Producer and International Trade Price Indexes, Concepts, Sources and Methods (cat. no. 6429.0) describes the underlying concepts and structure of the producer and international trade price indexes, and the sources and methods used in compiling the indexes. The current version of this publication reflects some concepts and methods that will be out of date from the September quarter 2009 onwards. A revised Concepts, Sources and Methods publication is scheduled for release during 2010.

REVISED FORMAT FOR PPI PUBLICATION

The ABS has undertaken a broad review of the SOP indexes and as a result, current stage of production indexes (publication tables 1–9) will continue to be included in the *Producer Price Indexes, Australia* (cat. no. 6427.0) publication, while tables relating to the other producer price indexes (current publication tables 10–23) will only be made available as time series spreadsheets and data cubes on the ABS website. Commentary relating to manufacturing, construction and service industries producer price indexes will continue to be available on the ABS website via the 'Summary' tab under 'Additional Commentary'.

EXAMPLES OF ANZSIC 2006 OUTPUTS

A complete sample PPI publication in respect of September quarter 2009 is shown in Appendix 3 of this information paper. There will be no change to the presentation of the ITPI publication.

A complete set of PPI and ITPI sample spreadsheets is available at the 'Downloads' tab from the ABS website for this information paper. Please note that there are new time series identifiers associated with the new series in these tables.

CHANGES TO PREVIOUSLY ADVISED ANZSIC 2006 PPI SERIES

In the concordance table (available under the 'Downloads' tab in the March quarter 2009 release of *Producer Price Indexes, Australia* (cat. no. 6427.0)) it was advised that the ANZSIC 2006 series '1334 – Textile finishing and other textile product manufacturing', '1829 – Other basic polymer manufacturing', '211 – Basic ferrous metal manufacturing' and '224 – Sheet metal product manufacturing,' would be made available in table 11 ('Articles Produced by Manufacturing Industries: Division, Subdivision, Group and Class Index Numbers and Percentage Change'). A review of the proposed index structure has resulted in these series no longer being made available for publishing.

Similarly, it was advised that the ANZSIC 2006 series '213 – Basic non-ferrous metal manufacturing' would be made available in tables 12 and 13 ('Materials Used in Manufacturing Industries, Division Index Numbers and Percentage Changes and Selected Material Inputs Index Numbers'). This series will no longer be made available for publishing.

CHAPTER 5 OUTPUT STRATEGY FOR PPI AND ITPI *continued*

CHANGES TO PREVIOUSLY ADVISED ANZSIC 2006 PPI SERIES *continued*

It was also advised that the ANZSIC 1993 time series '362 – Gas supply' would be discontinued and no longer be available. This series will now be made available in tables 12 and 13 under the label 'Natural gas' and will be linked to the previously published series 'Gas supply'.

Some other information in the concordance table released with the March quarter 2009 PPI publication has been updated. The ANZSIC 1993 series '253 – Basic chemical manufacturing' was incorrectly concorded to the ANZSIC 2006 series '181 – Basic chemical manufacturing'. The correct concordance is '182 – Basic polymer manufacturing'. The ANZSIC 1993 series '255 – Rubber product manufacturing' which was stated as being discontinued will continue in the ANZSIC 2006 series '192 – Natural rubber product manufacturing'.

It was also advised in the March quarter 2009 PPI concordance that the ANZSIC 1993 series '7865 – Pest control services' concurs with the ANZSIC 2006 series '7311 – Building and other industrial cleaning services'. The correct concordance is '7312 – Building pest control services'. Similarly, the ANZSIC 1993 series '7866 – Cleaning services' concurs with the ANZSIC 2006 series '7311 – Building and other industrial cleaning services'.

CHANGES TO PPI INDUSTRY OF ORIGIN TABLES

The presentation of materials used in manufacturing industries on an industry of origin basis in tables 12 and 13 of the *Producer Price Indexes, Australia* (cat. no. 6427.0) will cease from the September quarter 2009. The scope of these tables will include selected materials used in the manufacturing industries based on their relative contribution to the aggregate manufacturing division index. The materials will no longer be attributed to an industry of origin. For example, Agricultural materials are currently presented as ANZSIC Subdivision 01, and under the new format they will remain in the table but the reference to ANZSIC 06 subdivision 01 will be excluded. Indexes for lower weighted material inputs will not be available for publication. As a consequence of this change, the table labels will change. A sample of the new tables is available at the 'Downloads' tab for this information paper from the ABS website.

RELEASE SCHEDULE

The *International Trade Price Indexes, Australia, September quarter 2009* (cat. no. 6457.0) will be released on 23 October 2009 and the *Producer Price Indexes, Australia, September quarter 2009* (cat. no. 6427.0) will be released on 26 October 2009.

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APPENDIX 1 ANZSIC 2006 WEIGHTING PATTERN

PRICE INDEXES OF ARTICLES
PRODUCED BY
MANUFACTURING
INDUSTRIES, AUSTRALIA

PRICE INDEXES OF ARTICLES PRODUCED BY MANUFACTURING
INDUSTRIES, AUSTRALIA (a)(b)

PERCENTAGE CONTRIBUTION

Subdivisions and groups

Division C - Manufacturing	100.00	
11 Food product manufacturing	19.96	
111 Meat and meat product manufacturing		6.12
112 Seafood processing		0.51
113 Dairy product manufacturing		3.39
114 Fruit and vegetable processing		1.40
115 Oil and fat manufacturing		0.39
116 Grain mill and cereal product manufacturing		1.52
117 Bakery product manufacturing		2.36
118 Sugar and confectionery manufacturing		1.63
119 Other food product manufacturing		2.64
12 Beverage and tobacco product manufacturing	4.80	
121 Beverage manufacturing		4.35
122 Cigarette and tobacco product manufacturing		0.45
13 Textile, leather, clothing and footwear manufacturing	3.67	
131 Textile manufacturing		0.71
132 Leather tanning, fur dressing and leather product manufacturing		0.57
133 Textile product manufacturing		1.10
134 Knitted product manufacturing		0.27
135 Clothing and footwear manufacturing		1.02
14 Wood product manufacturing	2.92	
141 Log sawmilling and timber dressing		1.03
149 Other wood product manufacturing		1.89
15 Pulp, paper and converted paper product manufacturing	3.08	
151 Pulp, paper and paperboard manufacturing		0.82
152 Converted paper product manufacturing		2.26
16 Printing (including the reproduction of recorded media)	3.20	
161 Printing and printing support services		3.10
162 Reproduction of recorded media		0.10
17 Petroleum and coal product manufacturing	6.72	
170 Petroleum and coal product manufacturing		6.72
18 Basic chemical and chemical product manufacturing	7.36	
181 Basic chemical manufacturing		1.55
182 Basic polymer manufacturing		0.81
183 Fertiliser and pesticide manufacturing		1.72
184 Pharmaceutical and medicinal product manufacturing		1.66
185 Cleaning compound and toiletry preparation manufacturing		1.02
189 Other basic chemical product manufacturing		0.60
19 Polymer product and rubber product manufacturing	4.54	
191 Polymer product manufacturing		4.29
192 Natural rubber product manufacturing		0.25
20 Non-metallic mineral product manufacturing	3.54	
201 Glass and glass product manufacturing		0.57
202 Ceramic product manufacturing		0.42
203 Cement, lime, plaster and concrete product manufacturing		2.04
209 Other non-metallic mineral product manufacturing		0.51
21 Primary metal and metal product manufacturing	13.82	
211 Basic ferrous metal manufacturing		3.07
212 Basic ferrous metal product manufacturing		0.80
213 Basic non-ferrous metal manufacturing		8.84
214 Basic non-ferrous metal product manufacturing		1.11
22 Fabricated metal product manufacturing	5.48	
221 Iron and steel forging		0.37
222 Structural metal product manufacturing		2.42
223 Metal container manufacturing		0.88
224 Sheet metal product manufacturing (except metal structural and container products)		0.42
229 Other fabricated metal product manufacturing		1.39

(a) Australian and New Zealand Standard Industrial Classification 2006

(b) Any discrepancies between totals and sums of components are due to rounding

APPENDIX 1 ANZSIC 2006 WEIGHTING PATTERN *continued*

PRICE INDEXES OF ARTICLES
PRODUCED BY
MANUFACTURING
INDUSTRIES, AUSTRALIA
continued

PRICE INDEXES OF ARTICLES PRODUCED BY MANUFACTURING
INDUSTRIES, AUSTRALIA(a)(b) *continued*

	PERCENTAGE CONTRIBUTION
<i>Subdivisions and groups</i>	
23 Transport equipment manufacturing	9.45
231 Motor vehicle and motor vehicle part manufacturing	7.20
239 Other transport equipment manufacturing	2.25
24 Machinery and equipment manufacturing	8.41
241 Professional and scientific equipment manufacturing	0.99
242 Computer and electronic equipment manufacturing	1.65
243 Electrical equipment manufacturing	1.51
244 Domestic appliance manufacturing	1.39
245 Pump, compressor, heating and ventilation equipment manufacturing	0.49
246 Specialised machinery and equipment manufacturing	1.41
249 Other machinery and equipment manufacturing	0.97
25 Furniture and other manufacturing	3.05
251 Furniture manufacturing	2.48
259 Other manufacturing	0.57

(a) Australian and New Zealand Standard Industrial Classification 2006

(b) Any discrepancies between totals and sums of components are due to rounding

APPENDIX 1 ANZSIC 2006 WEIGHTING PATTERN *continued*

PRICE INDEXES OF
MATERIALS USED IN
MANUFACTURING
INDUSTRIES, AUSTRALIA

PRICE INDEXES OF MATERIALS USED IN MANUFACTURING
INDUSTRIES, AUSTRALIA(a)(b)(c)

	PERCENTAGE CONTRIBUTION
<i>Subdivisions and groups</i>	
Division C - Manufacturing	100.00
01 Agriculture	15.02
011 Nursery and floriculture production	0.02
012 Mushroom and vegetable growing	0.29
013 Fruit and tree nut growing	1.18
014 Sheep, beef cattle and grain farming	8.15
015 Other crop growing	1.08
016 Dairy cattle farming	3.02
017 Poultry farming	0.67
018 Deer farming	0.00
019 Other livestock farming	0.61
02 Aquaculture	0.16
03 Forestry and logging	0.84
04 Fishing, hunting and trapping	0.40
041 Fishing	0.36
042 Hunting and trapping	0.04
05 Agriculture, forestry and fishing support services	0.34
06 Coal mining	0.63
07 Oil and gas extraction	8.28
08 Metal ore mining	8.06
09 Non-metallic mineral mining and quarrying	1.54
091 Construction material mining	0.97
099 Other non-metallic mineral mining and quarrying	0.57
10 Exploration and other mining support services	0.00
11 Food product manufacturing	5.64
111 Meat and meat product manufacturing	1.09
112 Seafood processing	0.00
113 Dairy product manufacturing	0.58
114 Fruit and vegetable processing	0.61
115 Oil and fat manufacturing	0.43
116 Grain mill and cereal product manufacturing	0.92
117 Bakery product manufacturing	0.68
118 Sugar and confectionery manufacturing	0.61
119 Other food product manufacturing	0.72
12 Beverage and tobacco product manufacturing	0.48
13 Textile, leather, clothing and footwear manufacturing	2.79
131 Textile manufacturing	1.20
132 Leather tanning, fur dressing and leather product manufacturing	0.26
133 Textile product manufacturing	0.48
134 Knitted product manufacturing	0.36
135 Clothing and footwear manufacturing	0.49
14 Wood product manufacturing	2.66
141 Log sawmilling and timber dressing	1.55
149 Other wood product manufacturing	1.11
15 Pulp, paper and converted paper product manufacturing	4.14
151 Pulp, paper and paperboard manufacturing	1.54
152 Converted paper product manufacturing	2.60

(a) Australian and New Zealand Standard Industrial Classification 2006

(b) Percentages may not add due to rounding

(c) Items presented in the weighting patterns as 0.00 percentage contribution, contribute less than 0.01 percent to the total

APPENDIX 1 ANZSIC 2006 WEIGHTING PATTERN *continued*

PRICE INDEXES OF
MATERIALS USED IN
MANUFACTURING
INDUSTRIES, AUSTRALIA
continued

PRICE INDEXES OF MATERIALS USED IN MANUFACTURING
INDUSTRIES, AUSTRALIA(a)(b)(c) *continued*

	PERCENTAGE CONTRIBUTION
<i>Subdivisions and groups</i>	
16 Printing (including the reproduction of recorded media)	0.70
17 Petroleum and coal product manufacturing	1.59
18 Basic chemical and chemical product manufacturing	7.85
181 Basic chemical manufacturing	2.84
182 Basic polymer manufacturing	2.12
183 Fertiliser and pesticide manufacturing	0.86
184 Pharmaceutical and medicinal product manufacturing	1.27
185 Cleaning compound and toiletry preparation manufacturing	0.29
189 Other basic chemical product manufacturing	0.47
19 Polymer product and rubber product manufacturing	5.05
191 Polymer product manufacturing	4.84
192 Natural rubber product manufacturing	0.21
20 Non-metallic mineral product manufacturing	2.32
201 Glass and glass product manufacturing	0.82
202 Ceramic product manufacturing	0.22
203 Cement, lime, plaster and concrete product manufacturing	0.83
209 Other non-metallic mineral product manufacturing	0.45
21 Primary metal and metal product manufacturing	12.55
211 Basic ferrous metal manufacturing	6.13
212 Basic ferrous metal product manufacturing	1.14
213 Basic non-ferrous metal manufacturing	4.34
214 Basic non-ferrous metal product manufacturing	0.94
22 Fabricated metal product manufacturing	3.94
221 Iron and steel forging	0.48
222 Structural metal product manufacturing	1.27
223 Metal container manufacturing	0.67
224 Sheet metal product manufacturing (except metal structural and container products)	0.33
229 Other fabricated metal product manufacturing	1.19
23 Transport equipment manufacturing	6.78
231 Motor vehicle and motor vehicle part manufacturing	5.87
239 Other transport equipment manufacturing	0.91
24 Machinery and equipment manufacturing	5.26
241 Professional and scientific equipment manufacturing	0.52
242 Computer and electronic equipment manufacturing	1.26
243 Electrical equipment manufacturing	1.92
244 Domestic appliance manufacturing	0.19
245 Pump, compressor, heating and ventilation equipment manufacturing	0.16
246 Specialised machinery and equipment manufacturing	0.32
249 Other machinery and equipment manufacturing	0.89
25 Furniture and other manufacturing	0.40
251 Furniture manufacturing	0.26
259 Other manufacturing	0.14
26 Electricity supply	2.26
27 Gas supply	(d)
28 Water supply, sewerage and drainage services	0.32
29 Waste collection, treatment and disposal services	0.00

(a) Australian and New Zealand Standard Industrial Classification 2006

(b) Percentages may not add due to rounding

(c) Items presented in the weighting patterns as 0.00 percentage contribution, contribute less than 0.01 percent to the total

(d) The value of natural gas, as an input into the manufacturing industries, is included in ANZSIC 2006 subdivision 07 - oil and gas extraction

APPENDIX 1 ANZSIC 2006 WEIGHTING PATTERN *continued*

OUTPUT OF DIVISION E
CONSTRUCTION, AUSTRALIA

OUTPUT OF DIVISION E – CONSTRUCTION, AUSTRALIA (a)(b)(c)

	PERCENTAGE CONTRIBUTION	
<i>Subdivisions, groups and classes</i>		
Division E – Construction (c)	100.00	
30 Building construction Australia	92.50	
301 Residential building construction Australia	60.62	
3011 House construction Australia	44.91	
House construction NSW	9.68	
House construction Vic	12.68	
House construction Qld	10.80	
House construction SA	3.10	
House construction WA	6.68	
House construction Tas	0.99	
House construction NT	0.37	
House construction ACT	0.61	
3019 Other residential building construction n.e.c. Australia	15.71	
Other residential building construction n.e.c. NSW	5.24	
Other residential building construction n.e.c. Vic	3.22	
Other residential building construction n.e.c. Qld	4.65	
Other residential building construction n.e.c. SA	0.61	
Other residential building construction n.e.c. WA	1.31	
Other residential building construction n.e.c. Tas	0.08	
Other residential building construction n.e.c. NT	0.21	
Other residential building construction n.e.c. ACT	0.39	
302 Non-residential building construction Australia	31.88	
3020 Non-residential building construction Australia	31.88	
Non-residential building construction NSW	9.14	
Non-residential building construction Vic	8.81	
Non-residential building construction Qld	7.09	
Non-residential building construction SA	1.80	
Non-residential building construction WA	3.01	
Non-residential building construction Tas	0.46	
Non-residential building construction NT	0.42	
Non-residential building construction ACT	1.15	

- (a) Australian and New Zealand Standard Industrial Classification 2006
 (b) Any discrepancies between totals and sums of components are due to rounding
 (c) Excludes Subdivision 32 – Construction Services

APPENDIX 1 ANZSIC 2006 WEIGHTING PATTERN *continued*

OUTPUT OF DIVISION E
CONSTRUCTION, AUSTRALIA
continued

OUTPUT OF DIVISION E – CONSTRUCTION, AUSTRALIA (a)(b)(c)
continued

PERCENTAGE CONTRIBUTION

Subdivisions, groups and classes

31 Heavy and civil engineering construction Australia (d)	7.50	
310 Heavy and civil engineering construction Australia^(d)		7.50
3101 Road and bridge construction Australia		7.50
Road and bridge construction NSW		2.51
Road and bridge construction Vic		1.81
Road and bridge construction Qld		1.72
Road and bridge construction SA		0.37
Road and bridge construction WA		0.86
Road and bridge construction Tas		0.11
Road and bridge construction NT		0.08
Road and bridge construction ACT		0.04

- (a) Australian and New Zealand Standard Industrial Classification 2006
 (b) Any discrepancies between totals and sums of components are due to rounding
 (c) Excludes Subdivision 32 – Construction Services
 (d) Excludes Class 3109 Other heavy and civil engineering construction

APPENDIX 1 ANZSIC 2006 WEIGHTING PATTERN *continued*

PRICE INDEXES OF SERVICE
INDUSTRIES, DIVISION I –
TRANSPORT, POSTAL AND
WAREHOUSING

PRICE INDEXES OF SERVICE INDUSTRIES, DIVISION I – TRANSPORT,
POSTAL AND WAREHOUSING (a) (b)

	PERCENTAGE CONTRIBUTION	
	
<i>Subdivisions, groups and classes</i>		
Division I – Transport, postal and warehousing	100.00	
46 Road transport	32.36	
461 Road freight transport		27.22
4610 Road freight transport		27.22
462 Road passenger transport	5.14	
4621 Interurban and rural bus transport		1.51
4622 Urban bus transport (including tramway)		2.26
4623 Taxi and other road transport		1.37
47 Rail transport	8.80	
471 Rail freight transport	5.53	
4710 Rail freight transport		5.53
472 Rail passenger transport	3.27	
4720 Rail passenger transport		3.27
48 Water transport	3.63	
481 Water freight transport	2.48	
4810 Water freight transport		2.48
482 Water passenger transport	1.15	
4820 Water passenger transport		1.15
49 Air and space transport	15.04	
490 Air and space transport	15.04	15.04
4900 Air and space transport		15.04
50 Other transport	3.30	
501 Scenic and sightseeing transport	0.94	
5010 Scenic and sightseeing transport		0.94
502 Pipeline and other transport	2.36	
5021 Pipeline transport		1.42
5029 Other transport n.e.c.		0.94
51 Postal and courier pick-up and delivery services	8.24	
510 Postal and courier pick-up and delivery services	8.24	
5101 Postal services		5.52
5102 Courier pick-up and delivery services		2.72
52 Transport support services	19.69	
521 Water transport support services	5.28	
5211 Stevedoring services		1.25
5212 Port and water transport terminal operations		1.91
5219 Other water transport support services		2.12
522 Airport operations and other air transport support services	4.06	
5220 Airport operations and other air transport support services		4.06
529 Other transport support services	10.35	
5291 Customs agency services		0.37
5292 Freight forwarding services		7.77
5299 Other transport support services n.e.c.		2.21
53 Warehousing and storage services	8.94	
530 Warehousing and storage services	8.94	
5301 Grain storage services		1.82
5309 Other warehousing and storage services		7.12

(a) Australian and New Zealand Standard Industrial Classification 2006

(b) Any discrepancies between totals and sums of componets are due to rounding

APPENDIX 1 ANZSIC 2006 WEIGHTING PATTERN *continued*

PRICE INDEXES OF SERVICE
INDUSTRIES, DIVISION J –
INFORMATION MEDIA AND
TELECOMMUNICATIONS

PRICE INDEXES OF SERVICE INDUSTRIES, DIVISION J – INFORMATION
MEDIA AND TELECOMMUNICATIONS (a)(b)

	PERCENTAGE CONTRIBUTION	
<i>Subdivisions, groups and classes</i>		
Division J – Information media and telecommunications	100.00	
54 Publishing (except internet and music publishing)	30.37	
541 Newspaper, periodical, book and directory publishing	13.70	
5411 Newspaper publishing		8.72
5412 Magazine and other periodical publishing		2.18
5413 Book publishing		1.36
5414 Directory and mailing list publishing		0.70
5419 Other publishing (except software, music and internet)		0.74
542 Software publishing	16.67	
5420 Software publishing		16.67
55 Motion picture and sound recording activities	4.31	
551 Motion picture and video activities	3.07	
5511 Motion picture and video production		0.84
5512 Motion picture and video distribution		0.61
5513 Motion picture exhibition		1.32
5514 Post-production services and other motion picture and video activities		0.30
552 Sound recording and music publishing	1.24	
5521 Music publishing		0.92
5522 Music and other sound recording activities		0.32
56 Broadcasting (except internet)	13.77	
561 Radio broadcasting	2.05	
5610 Radio broadcasting		2.05
562 Television broadcasting	11.72	
5621 Free-to-air television broadcasting		8.19
5622 Cable and other subscription broadcasting		3.53
57 Internet publishing and broadcasting	1.40	
570 Internet publishing and broadcasting	1.40	
5700 Internet publishing and broadcasting		1.40
58 Telecommunications services	45.76	
580 Telecommunications services	45.76	
5801 Wired telecommunications network operation		19.26
5802 Other telecommunications network operation		20.20
5809 Other telecommunications services		6.30
59 Internet service providers, web search portals and data processing services	3.47	
591 Internet service providers and web search portals	2.31	
5910 Internet service providers and web search portals		2.31
592 Data processing, web hosting and electronic information storage services	1.16	
5921 Data processing and web hosting services		0.67
5922 Electronic information storage services		0.49
60 Library and other information services	0.92	
601 Libraries and archives	0.84	
6010 Libraries and archives		0.84
602 Other information services	0.08	
6020 Other information services		0.08

(a) Australian and New Zealand Standard Industrial Classification 2006

(b) Any discrepancies between totals and sums of components are due to rounding

APPENDIX 1 ANZSIC 2006 WEIGHTING PATTERN *continued*

PRICE INDEXES OF SERVICE
INDUSTRIES, DIVISION L –
RENTAL, HIRING AND REAL
ESTATE SERVICES

PRICE INDEXES OF SERVICE INDUSTRIES, DIVISION L – RENTAL,
HIRING AND REAL ESTATE SERVICES (a)(b)

	PERCENTAGE CONTRIBUTION	
<i>Subdivisions, groups and classes</i>		
Division L – Rental, hiring and real estate services	100.00	
66 Rental and hiring services (except real estate)	10.81	
661 Motor vehicle and transport equipment rental and hiring	3.25	
6611 Passenger car rental and hiring		2.47
6619 Other motor vehicle and transport equipment rental and hiring		0.78
662 Farm animal and bloodstock leasing	0.03	
6620 Farm animal and bloodstock leasing		0.03
663 Other goods and equipment rental and hiring	6.28	
6631 Heavy machinery and scaffolding rental and hiring		3.78
6632 Video and other electronic media rental and hiring		0.74
6639 Other goods and equipment rental and hiring n.e.c.		1.76
664 Non-financial intangible assets (except copyrights) leasing	1.25	
6640 Non-financial intangible assets (except copyrights) leasing		1.25
67 Property operators and real estate services	89.19	
671 Property operators	81.64	
6711 Residential property operators		52.17
6712 Non-residential property operators		29.47
672 Real estate services	7.55	
6720 Real estate services		7.55

(a) Australian and New Zealand Standard Industrial Classification 2006

(b) Any discrepancies between totals and sums of components are due to rounding

APPENDIX 1 ANZSIC 2006 WEIGHTING PATTERN *continued*

PRICE INDEXES OF SERVICE INDUSTRIES, DIVISION M – PROFESSIONAL, SCIENTIFIC AND TECHNICAL SERVICES

PRICE INDEXES OF SERVICE INDUSTRIES, DIVISION M – PROFESSIONAL, SCIENTIFIC AND TECHNICAL SERVICES (a)(b)

	PERCENTAGE CONTRIBUTION	
<i>Subdivisions, groups and classes</i>		
Division M – Professional, scientific and technical services	100.00	
69 Professional, scientific and technical services (except computer system design and related services)	86.66	
691 <i>Scientific research services</i>		0.23
6910 Scientific research services		0.23
692 <i>Architectural, engineering and technical services</i>	20.21	
6921 Architectural services		3.71
6922 Surveying and mapping services		0.94
6923 Engineering design and engineering consulting services		11.35
6924 Other specialised design services		2.76
6925 Scientific testing and analysis services		1.45
693 <i>Legal and accounting services</i>	25.25	
6931 Legal services		14.16
6932 Accounting services		11.09
694 <i>Advertising services</i>	5.79	
6940 Advertising services		5.79
695 <i>Market research and statistical services</i>	1.68	
6950 Market research and statistical services		1.68
696 <i>Management and related consulting services</i>	26.94	
6961 Corporate head office management services		7.08
6962 Management advice and related consulting services		19.86
697 <i>Veterinary services</i>	0.96	
6970 Veterinary services		0.96
699 <i>Other professional, scientific and technical services</i>	5.60	
6991 Professional photographic services		0.37
6999 Other professional, scientific and technical services n.e.c.		5.23
70 Computer system design and related services	13.34	
700 <i>Computer system design and related services</i>	13.34	
7000 Computer system design and related services		13.34

(a) Australian and New Zealand Standard Industrial Classification 2006

(b) Any discrepancies between totals and sums of components are due to rounding

APPENDIX 1 ANZSIC 2006 WEIGHTING PATTERN *continued*

PRICE INDEXES OF SERVICE
INDUSTRIES, DIVISION N –
ADMINISTRATIVE AND
SUPPORT SERVICES

PRICE INDEXES OF SERVICE INDUSTRIES, DIVISION N –
ADMINISTRATIVE AND SUPPORT SERVICES (a)(b)

	PERCENTAGE CONTRIBUTION
<i>Subdivisions, groups and classes</i>	
Division N – Administrative and support services	100.00
72 Administrative services	83.60
721 Employment services	35.42
7211 Employment placement and recruitment services	5.42
7212 Labour supply services	30.00
722 Travel agency and tour arrangement services	6.22
7220 Travel agency and tour arrangement services	6.22
729 Other administrative services	41.96
7291 Office administrative services	4.18
7292 Document preparation services	7.91
7293 Credit reporting and debt collection services	12.75
7294 Call centre operation	7.51
7299 Other administrative services n.e.c.	9.61
73 Building cleaning, pest control and other support services	16.40
731 Building cleaning, pest control and gardening services	15.23
7311 Building and other industrial cleaning services	13.75
7312 Building pest control services	1.45
7313 Gardening services	0.03
732 Packaging services	1.17
7320 Packaging services	1.17

(a) Australian and New Zealand Standard Industrial Classification 2006

(b) Any discrepancies between totals and sums of components are due to rounding

APPENDIX 1 ANZSIC 2006 WEIGHTING PATTERN *continued*

PRICE INDEXES OF SERVICE INDUSTRIES, DIVISION 0 – PUBLIC ADMINISTRATION AND SAFETY

PRICE INDEXES OF SERVICE INDUSTRIES, DIVISION 0 – PUBLIC ADMINISTRATION AND SAFETY(a)(b)

PERCENTAGE CONTRIBUTION

Subdivisions, groups and classes

Division 0 – Public administration and safety	100.00		
75 Public administration	63.88		
76 Defence	18.05		
760 Defence		18.05	
7600 Defence			18.05
77 Public order, safety and regulatory services	18.07		
771 Public order and safety services		18.07	
7711 Police services			6.68
7712 Investigation and security services			6.35
7713 Fire protection and other emergency services			2.11
7714 Correctional and detention services			2.37
7719 Other public order and safety services			0.56
772 Regulatory services			
7720 Regulatory services			(c)

- (a) Australian and New Zealand Standard Industrial Classification 2006
- (b) Any discrepancies between totals and sums of componets are due to rounding
- (c) 772 Regulatory services are excluded from the weighting pattern because general government consumption of fixed capital is out of scope of the indexes

APPENDIX 1 ANZSIC 2006 WEIGHTING PATTERN *continued*

PRICE INDEXES OF SERVICE
INDUSTRIES, DIVISION S –
OTHER SERVICES

PRICE INDEXES OF SERVICE INDUSTRIES, DIVISION S – OTHER
SERVICES (a) (b)

	PERCENTAGE CONTRIBUTION	
<i>Subdivisions, groups and classes</i>		
Division S – Other services	100.00	
94 Repair and maintenance	70.43	
941 Automotive repair and maintenance	40.04	
9411 Automotive electrical services		5.48
9412 Automotive body, paint and interior repair		11.56
9419 Other automotive repair and maintenance		23.00
942 Machinery and equipment repair and maintenance	28.38	
9421 Domestic appliance repair and maintenance		6.94
9422 Electronic (except domestic appliance) and precision equipment repair and maintenance		9.99
9429 Other machinery and equipment repair and maintenance		11.45
949 Other repair and maintenance	2.01	
9491 Clothing and footwear repair		0.04
9499 Other repair and maintenance n.e.c.		1.97
95 Personal and other services	26.73	
951 Personal care services	5.25	
9511 Hairdressing and beauty services		5.25
9512 Diet and weight reduction centre operation		
952 Funeral, crematorium and cemetery services	1.58	
9520 Funeral, crematorium and cemetery services		1.58
953 Other personal services	5.84	
954 Religious services	7.74	
9540 Religious services		7.74
955 Civic, professional and other interest group services	6.32	
9551 Business and professional association services		1.55
9552 Labour association services		0.77
9559 Other interest group services n.e.c.		4.00
96 Private households employing staff and undifferentiated goods- and service-producing activities of households for own use	2.84	
960 Private households employing staff and undifferentiated goods- and service-producing activities of households for own use	2.84	

(a) Australian and New Zealand Standard Industrial Classification 2006

(b) Any discrepancies between totals and sums of componets are due to rounding

APPENDIX 2 CONCORDANCE OF OLD TO NEW PPI TABLES

CONCORDANCE OF OLD TO NEW PPI TABLES

OLD TABLE NO.	OLD TABLE NAME	NEW TABLE NO.	NEW TABLE NAME
STAGE OF PRODUCTION PRODUCER PRICE INDEXES		STAGE OF PRODUCTION PRODUCER PRICE INDEXES	
1	Index numbers by stage and source	1	Index numbers by stage and source
2	Percentage change by stage and source	2	Percentage change by stage and source
3	Final commodities by source and destination	3	Final commodities by source and destination
4	Percentage change, final commodities by source and destination	4	Percentage change, final commodities by source and destination
5	Contribution to change in final commodities index by industry and source	5	Contribution to change in final commodities index by industry and source
6	Contribution to change in domestic final commodities index by industry and destination	6	Contribution to change in domestic final commodities index by industry and destination
7	Contribution to change in imported final commodities index by industry and destination	7	Contribution to change in imported final commodities index by industry and destination
8	Contribution to change in intermediate commodities index by industry and source	8	Contribution to change in intermediate commodities index by industry and source
9	Contribution to change in preliminary commodities index by industry and source	9	Contribution to change in preliminary commodities index by industry and source
MANUFACTURING INDUSTRIES PRODUCER PRICE INDEXES		ADDITIONAL TABLES AVAILABLE ON ABS WEBSITE	
10	Articles produced by manufacturing industries, division index numbers and percentage change	10	Articles produced by manufacturing industries, division index numbers and percentage changes
11	Articles produced by manufacturing industries, subdivision and group index numbers	11	Articles produced by manufacturing industries, index numbers for subdivisions, groups and classes
12	Materials used in manufacturing industries, division index numbers by source	12	Materials used in manufacturing industries, index numbers for division and selected materials
13	Materials used in manufacturing industries, division percentage change by source	13	Materials used in manufacturing industries, division percentage changes
14	Materials used in manufacturing industries, subdivision and group index numbers	14	Materials used in manufacturing industries, index numbers for subdivisions
CONSTRUCTION INDUSTRIES PRODUCER PRICE INDEXES		CONSTRUCTION INDUSTRIES PRODUCER PRICE INDEXES	
15	Output of general construction industry, subdivision index numbers and percentage change	Discontinued	..
16	Output of general construction industry, group and class index numbers	15	Selected output of Division E – Construction, group and class index numbers
17	Materials used in house building, index numbers by state capital city	16	Materials used in house building, index numbers by state capital city
18	Materials used in house building, percentage change by state capital city	17	Materials used in house building, percentage change by state capital city
MINING INDUSTRIES PRODUCER PRICE INDEXES		MINING INDUSTRIES PRODUCER PRICE INDEXES	
19	Materials used in coal mining, index numbers and percentage change	18	Materials used in coal mining, index numbers and percentage changes

APPENDIX 2 CONCORDANCE OF OLD TO NEW PPI TABLES *continued*

CONCORDANCE OF OLD TO NEW PPI TABLES *continued*

OLD TABLE NO.	OLD TABLE NAME	NEW TABLE NO.	NEW TABLE NAME
SERVICE INDUSTRIES PRODUCER PRICE INDEXES		SERVICE INDUSTRIES PRODUCER PRICE INDEXES	
20	Output of transport (freight) and storage industries, division index numbers and percentage change	19	Selected output of Division I – Transport, postal and warehousing, group and class index numbers
21	Output of transport (freight) and storage industries, subdivision index numbers	Discontinued	..
		20	Selected output of Division J – (Information media and telecommunications), O (public administration and safety) and S (other services), group and class index numbers
		21	Selected output of Division L – Rental, hiring and real estate services, subdivision, group and class index numbers
		22	Selected output of Division M – Professional, scientific and technical services, group and class index numbers
		23	Selected output of Division N – Administrative and support services, group and class index numbers
22	Output of property and business services industries, division index numbers and percentage change	Discontinued	..
23	Output of property and business services industries, subdivision and group index numbers	Discontinued	..
ADDITIONAL TABLES AVAILABLE ON ABS WEBSITE		ADDITIONAL TABLES AVAILABLE ON ABS WEBSITE	
STAGE OF PRODUCTION PRODUCER PRICE INDEXES		STAGE OF PRODUCTION PRODUCER PRICE INDEXES	
24	Index numbers, final commodities by source and destination, including exports	24	Index numbers, final commodities by source and destination, including exports
25	Percentage change, final commodities by source and destination, including exports	25	Percentage change, final commodities by source and destination, including exports
PRICE INDEXES OF ARTICLES PRODUCED BY MANUFACTURING INDUSTRIES		PRICE INDEXES OF ARTICLES PRODUCED BY MANUFACTURING INDUSTRIES	
26	Contribution of subdivisions and groups	26	Contribution of subdivisions
PRICE INDEXES OF MATERIALS USED IN MANUFACTURING INDUSTRIES		PRICE INDEXES OF MATERIALS USED IN MANUFACTURING INDUSTRIES	
27	Contribution of materials by ANZSIC industry of origin	27	Contribution of selected materials
28	Indexes of metallic materials used in the fabricated metal products industry	28	Indexes of metallic materials used in the fabricated metal products industry
PRICE INDEX OF MATERIALS USED IN HOUSE BUILDING		PRICE INDEX OF MATERIALS USED IN HOUSE BUILDING	
29	Contribution to all groups index by State capital city	29	Contribution to all groups index by State capital city
30	Materials group by State capital city	Discontinued	..
PRODUCER PRICE INDEXES FOR SELECTED SERVICE INDUSTRIES		PRODUCER PRICE INDEXES FOR SELECTED SERVICE INDUSTRIES	
31	Transport (freight) and storage division index, subdivision and group contributions	Discontinued	..
32	Property and business services division, subdivision and group contributions	Discontinued	..
33	Transport (freight) and storage subdivision group and class index numbers	Discontinued	..
34	Property and business services subdivision group and class index numbers	Discontinued	..

APPENDIX 2 CONCORDANCE OF OLD TO NEW PPI TABLES *continued*

CONCORDANCE OF OLD TO NEW PPI TABLES *continued*

OLD TABLE NO.	OLD TABLE NAME	NEW TABLE NO.	NEW TABLE NAME
	<i>PRICE INDEXES OF COPPER MATERIALS</i>		<i>PRICE INDEXES OF COPPER MATERIALS</i>
35	Copper materials used in the manufacture of electrical equipment, index numbers and percentage change	30	Copper materials used in the manufacture of electrical equipment, index numbers and percentage changes
	<i>PRICE INDEXES FOR ASPHALT SUPPLIED AND PLACED</i>		<i>PRICE INDEXES FOR ASPHALT SUPPLIED AND PLACED</i>
36	Index numbers, Weighted average of six State capital cities	31	Index numbers, Weighted average of six State capital cities

APPENDIX 3 SAMPLE OF PRODUCER PRICE INDEXES, AUSTRALIA,
SEPTEMBER QUARTER 2009 (cat. no. 6427.0)

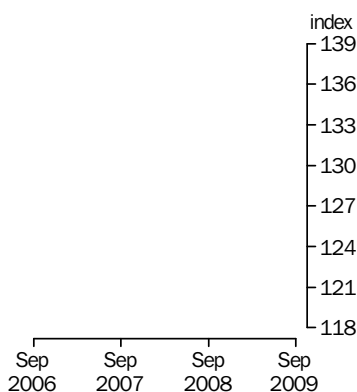
The following is a sample of the expected layout for the first release of
Producer Price Indexes data series following introduction of ANZSIC 2006.

PRODUCER PRICE INDEXES AUSTRALIA

EMBARGO: 11.30AM (CANBERRA TIME) FRI 26 OCT 2009

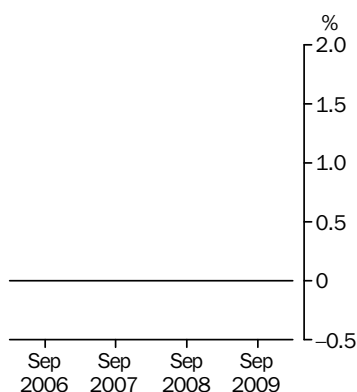
Final Stage

Base: 1998-99 = 100.0



Final Stage

Quarterly % change



KEY FIGURES

STAGE OF PRODUCTION

	Jun Qtr 09 to Sep Qtr 09	Sep Qtr 08 to Sep Qtr 09
	% change	% change
Final (Stage 3) commodities (excl. exports)		
Domestic		
Imports		
Intermediate (Stage 2) commodities		
Domestic		
Imports		
Preliminary (Stage 1) commodities		
Domestic		
Imports		

KEY POINTS

FINAL (STAGE 3) COMMODITIES

- Key points of the Stage of production final Stage (Stage 3) movements

INTERMEDIATE (STAGE 2) COMMODITIES

- Key points of the Stage of production intermediate Stage (Stage 2) movements

PRELIMINARY (STAGE 1) COMMODITIES

- Key points of the Stage of production preliminary Stage (Stage 1) movements

INQUIRIES

For further information about these and related statistics, contact the National Information and Referral Service on 1300 135 070 or Lee Taylor on Canberra (02) 6252 6377.

NOTES

FORTHCOMING ISSUES

ISSUE (Quarter)	RELEASE DATE
December 2009	25 January 2010
March 2010	27 April 2010
June 2010	26 July 2010
September 2010	25 October 2010

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CHANGES IN THIS ISSUE

Although the data in this publication relating to the economy-wide Stage of Production (SOP) producer price indexes remain classified according to the 1993 Australian and New Zealand Standard Industrial Classification (ANZSIC 1993). From the September quarter 2009, data previously presented in this publication in tables 10–23 (and related additional tables available on the ABS website <<http://www.abs.gov.au>> relating to other producer price indexes for specific industries (selected manufacturing, construction, mining and service industries) are classified according to the updated 2006 industrial classification (ANZSIC 2006). These series are now no longer included in the publication but are available, along with commentary covering major contributions to movements in these series, on the ABS website <<http://www.abs.gov.au>>. Data for these other producer price indexes in previous issues of this publication are based on the ANZSIC 1993. The Appendix of this publication shows a concordance between the old and new tables.

Further information can be found in the Appendix to the March quarter 2009 issue of this publication, as well as in *Information Paper: Update on ANZSIC 2006 Implementation for Producer and International Trade Price Indexes, Australia, 2009* (cat. no. 6427.0.55.002).

From this issue, a new series will also be available. Price indexes for ANZSIC 2006 Group 510 – Postal and courier pick-up and delivery services are presented in time series spreadsheets on the ABS website (see Table 19), with quarterly index numbers commencing September quarter 2001.

ROUNDING

Any discrepancies between totals and sums of components are due to rounding.

DATA REFERENCES

Data referenced in the Key points and Commentary are available from the tables shown in this publication, or in the corresponding tables of this publication on the ABS website <<http://www.abs.gov.au>>.

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ABBREVIATIONS

ABS	Australian Bureau of Statistics
ANZSIC	Australian and New Zealand Standard Industrial Classification
c.i.f.	cost, insurance and freight
f.o.b.	free on board
mfg	manufacturing
n.e.c.	not elsewhere classified
SOP	stage of production

Brian Pink
Australian Statistician

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Commentary	5

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3 Final commodities by source and destination	8
4 Percentage change, final commodities by source and destination	9
5 Contribution to change in final commodities index by industry and source	10
6 Contribution to change in domestic final commodities index by industry and destination	11
7 Contribution to change in imported final commodities index by industry and destination	12
8 Contribution to change in intermediate commodities index by industry and source	13
9 Contribution to change in preliminary commodities index by industry and source	14

ADDITIONAL TABLES AVAILABLE ON ABS WEBSITE

MANUFACTURING INDUSTRIES PRODUCER PRICE INDEXES

- 10 Articles produced by manufacturing industries, division index numbers and percentage changes
- 11 Articles produced by manufacturing industries, index numbers for subdivisions, groups and classes
- 12 Materials used in manufacturing industries, index numbers for division and selected materials
- 13 Materials used in manufacturing industries, division percentage changes
- 14 Materials used in manufacturing industries, index numbers for subdivisions

CONSTRUCTION INDUSTRIES PRODUCER PRICE INDEXES

- 15 Selected output of Division E–Construction, group and class index numbers
- 16 Materials used in house building, index numbers by state capital city
- 17 Materials used in house building, percentage change by state capital city

MINING INDUSTRIES PRODUCER PRICE INDEXES

- 18 Materials used in coal mining, index numbers and percentage changes

SERVICE INDUSTRIES PRODUCER PRICE INDEXES

- 19 Selected output of Division I–Transport, postal and warehousing, group and class index numbers
- 20 Selected output of Divisions J–Information media and telecommunications, Division O–Public administration and safety, and Division S–Other services

CONTENTS *continued*

page

21 Selected output of Division L–Rental, hiring and real estate services, subdivision, group and class index numbers

ADDITIONAL TABLES AVAILABLE ON ABS WEBSITE *continued*

SERVICE INDUSTRIES PRODUCER PRICE INDEXES *continued*

22 Selected output of Division M–Professional, scientific and technical services, group and class index numbers

23 Selected output of Division N–Administrative and support services, group and class index numbers

STAGE OF PRODUCTION PRODUCER PRICE INDEXES

24 Index numbers, final commodities by source and destination, including exports

25 Percentage change, final commodities by source and destination, including exports

PRICE INDEXES OF ARTICLES PRODUCED BY MANUFACTURING INDUSTRIES

26 Contribution of subdivisions

PRICE INDEXES OF MATERIALS USED IN MANUFACTURING INDUSTRIES

27 Contribution of selected materials

28 Indexes of metallic materials used in the fabricated metal products industry

PRICE INDEX OF MATERIALS USED IN HOUSE BUILDING

29 Contribution to all groups index by state capital city

PRICE INDEXES OF COPPER MATERIALS

30 Copper materials used in the manufacture of electrical equipment, index numbers and percentage changes

PRICE INDEXES FOR ASPHALT SUPPLIED AND PLACED

31 Index numbers, weighted average of six state capital cities

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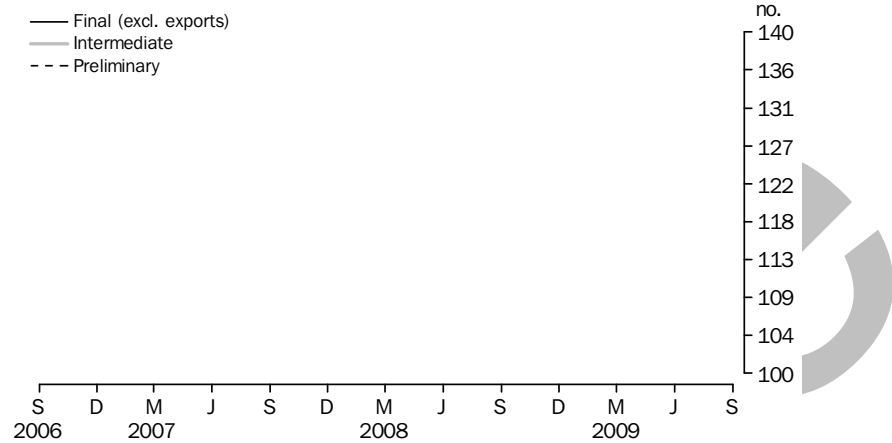
Appendix 26

COMMENTARY

STAGE OF PRODUCTION (SOP) OVERVIEW

This page will contain commentary on the Stage of Production (SOP) producer price indexes.

COMPARISON OF SOP INDEXES: Base: 1998-99 = 100.0



Note: From the September quarter 2009, commentary for other Producer Price Indexes will be available on the ABS website <<http://www.abs.gov.au>> only. To access this, use the link to 'Additional Commentary' that is available in the navigation pane as shown below.

The additional commentary will cover:

- Manufacturing industries producer price indexes
 - Materials used in manufacturing industries
 - Articles produced by manufacturing industries
- Construction industries producer price indexes
 - Materials used in house building
 - Output of the construction industry
- Service industries producer price indexes

STAGE OF PRODUCTION (a)(b): Index numbers

Period	PRELIMINARY			INTERMEDIATE			FINAL (c)		
	Domestic	Imports	Total	Domestic	Imports	Total	Domestic	Imports	Total
2005-06									
2006-07									
2007-08									
2008-09									
2004									
December									
2005									
March									
June									
September									
December									
2006									
March									
June									
September									
December									
2007									
March									
June									
September									
December									
2008									
March									
June									
September									
December									
2009									
March									
June									
September									

(a) Compiled on ANZSIC 1993 basis

(c) Excluding exports

(b) Reference base of each index 1998-99 = 100.0

Sample

STAGE OF PRODUCTION(a): **Percentage change**

Period	PRELIMINARY			INTERMEDIATE			FINAL(b)		
	Domestic	Imports	Total	Domestic	Imports	Total	Domestic	Imports	Total

PERCENTAGE CHANGE FROM PREVIOUS YEAR

2005-06
2006-07
2007-08
2008-09

PERCENTAGE CHANGE FROM PREVIOUS QUARTER

2005
 March
 June
 September
 December
2006
 March
 June
 September
 December
2007
 March
 June
 September
 December
2008
 March
 June
 September
 December
2009
 March
 June
 September

PERCENTAGE CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR

2005
 March
 June
 September
 December
2006
 March
 June
 September
 December
2007
 March
 June
 September
 December
2008
 March
 June
 September
 December
2009
 March
 June
 September

(a) Compiled on ANZSIC 1993 basis

(b) Excluding exports

STAGE OF PRODUCTION (a)(b): Final commodities index numbers

Period	DOMESTIC (c)			IMPORTS			TOTAL (c)		
	Consumer	Capital	Total	Consumer	Capital	Total	Consumer	Capital	Total
2005-06									
2006-07									
2007-08									
2008-09									
2004									
December									
2005									
March									
June									
September									
December									
2006									
March									
June									
September									
December									
2007									
March									
June									
September									
December									
2008									
March									
June									
September									
December									
2009									
March									
June									
September									

(a) Compiled on ANZSIC 1993 basis

(c) Excluding exports

(b) Reference base of each index 1998-99 = 100.0



STAGE OF PRODUCTION(a) : Final commodities percentage change

Period	DOMESTIC(b)			IMPORTS			TOTAL(b)		
	Consumer	Capital	Total	Consumer	Capital	Total	Consumer	Capital	Total

PERCENTAGE CHANGE FROM PREVIOUS YEAR

2005-06
2006-07
2007-08
2008-09

PERCENTAGE CHANGE FROM PREVIOUS QUARTER

2005
 March
 June
 September
 December
2006
 March
 June
 September
 December
2007
 March
 June
 September
 December
2008
 March
 June
 September
 December
2009
 March
 June
 September

PERCENTAGE CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR

2005
 March
 June
 September
 December
2006
 March
 June
 September
 December
2007
 March
 June
 September
 December
2008
 March
 June
 September
 December
2009
 March
 June
 September

(a) Compiled on ANZSIC 1993 basis

(b) Excluding exports

STAGE OF PRODUCTION(a): Final commodities index points change

ANZSIC 1993	DOMESTIC(b)			IMPORTS			TOTAL(b)		
	Jun Qtr	Sep Qtr	Change	Jun Qtr	Sep Qtr	Change	Jun Qtr	Sep Qtr	Change
	2009	2009		2009	2009				
012-013	Grain, sheep, beef and dairy cattle farming								
011, 014-016	Other agriculture								
04	Commercial fishing								
211	Meat and meat product mfg								
212	Dairy product mfg								
213	Fruit and vegetable processing								
214	Oil and fat mfg								
215	Flour mill and cereal food mfg								
216	Bakery product mfg								
217	Other food mfg								
218	Beverage and malt mfg								
219	Tobacco product mfg								
221	Textile fibre, yarn and woven fabric mfg								
222	Textile product mfg								
223	Knitting mills								
224	Clothing mfg								
225	Footwear mfg								
226	Leather and leather product mfg								
232-233	Other wood, paper and paper product mfg								
241	Printing and services to printing								
242	Publishing								
243	Recorded media mfg and publishing								
251	Petroleum refining								
253	Basic chemical mfg								
254	Other chemical product mfg								
255	Rubber product mfg								
256	Plastic product mfg								
271	Iron and steel mfg								
273	Non-ferrous basic metal product mfg								
275	Sheet metal product mfg								
276	Fabricated metal product mfg								
281	Motor vehicle and part mfg								
282	Other transport equipment mfg								
283	Photographic and scientific equipment mfg								
284	Electronic equipment mfg								
285	Electrical equipment and appliance mfg								
286	Industrial machinery and equipment mfg								
29	Other mfg								
36-37	Electricity, gas and water supply								
411	Building construction								
412	Non-building construction								
571	Accommodation								
611	Road freight transport								
620	Rail transport								
630-640	Water, air and space transport								
66	Services to transport								
772	Real estate agents								
782	Technical services								
783	Computer services								
784	Legal and accounting services								
Total									

(a) Reference base of each index 1998-99 = 100.0

(b) Excluding exports

STAGE OF PRODUCTION(a)(b): Domestic final commodities index points change

ANZSIC 1993	CONSUMER			CAPITAL			TOTAL		
	Jun Qtr	Sep Qtr	Change	Jun Qtr	Sep Qtr	Change	Jun Qtr	Sep Qtr	Change
	2009	2009		2009	2009		2009	2009	
012-013	Grain, sheep, beef and dairy cattle farming								
011, 014-016	Other agriculture								
04	Commercial fishing								
211	Meat and meat product mfg								
212	Dairy product mfg								
213	Fruit and vegetable processing								
214	Oil and fat mfg								
215	Flour mill and cereal food mfg								
216	Bakery product mfg								
217	Other food mfg								
218	Beverage and malt mfg								
219	Tobacco product mfg								
221	Textile fibre, yarn and woven fabric mfg								
222	Textile product mfg								
223	Knitting mills								
224	Clothing mfg								
225	Footwear mfg								
226	Leather and leather product mfg								
232-233	Other wood, paper and paper product mfg								
241	Printing and services to printing								
242	Publishing								
243	Recorded media mfg and publishing								
251	Petroleum refining								
253	Basic chemical mfg								
254	Other chemical product mfg								
255	Rubber product mfg								
256	Plastic product mfg								
271	Iron and steel mfg								
273	Non-ferrous basic metal product mfg								
275	Sheet metal product mfg								
276	Fabricated metal product mfg								
281	Motor vehicle and part mfg								
282	Other transport equipment mfg								
283	Photographic and scientific equipment mfg								
284	Electronic equipment mfg								
285	Electrical equipment and appliance mfg								
286	Industrial machinery and equipment mfg								
29	Other mfg								
36-37	Electricity, gas and water supply								
411	Building construction								
412	Non-building construction								
571	Accommodation								
611	Road freight transport								
620	Rail transport								
630-640	Water, air and space transport								
66	Services to transport								
772	Real estate agents								
782	Technical services								
783	Computer services								
784	Legal and accounting services								
Total									

(a) Reference base of each index 1998-99 = 100.0

(b) Excluding exports

STAGE OF PRODUCTION(a): Imported final commodities index points change

ANZSIC 1993	CONSUMER			CAPITAL			TOTAL		
	<i>Jun Qtr</i>	<i>Sep Qtr</i>	<i>Change</i>	<i>Jun Qtr</i>	<i>Sep Qtr</i>	<i>Change</i>	<i>Jun Qtr</i>	<i>Sep Qtr</i>	<i>Change</i>
	2009	2009		2009	2009		2009	2009	
212									
213									
214									
217									
218									
219									
221									
222									
223									
224									
225									
226									
241									
242									
243									
251									
253									
254									
255									
256									
271									
273									
276									
281									
282									
283									
284									
285									
286									
29									
Total									

(a) Reference base of each index 1998-99 = 100.0

STAGE OF PRODUCTION(a): Intermediate commodities index points change

ANZSIC 1993	DOMESTIC			IMPORTS			TOTAL		
	Jun Qtr	Sep Qtr	Change	Jun Qtr	Sep Qtr	Change	Jun Qtr	Sep Qtr	Change
	2009	2009		2009	2009				
012-013	Grain, sheep, beef and dairy cattle farming								
011, 014-016	Other agriculture								
02	Services to agriculture; hunting and trapping								
04	Commercial fishing								
110	Coal Mining								
120	Oil and gas extraction								
131	Metal ore mining								
14	Other mining								
211	Meat and meat product mfg								
212	Dairy product mfg								
213-214	Fruit and vegetable processing; oil and fat mfg								
215	Flour mill and cereal food mfg								
216	Bakery product mfg								
217	Other food mfg								
218	Beverage and malt mfg								
22	Textile, clothing, footwear and leather mfg								
231	Log sawmilling and timber dressing								
232	Other wood product mfg								
233	Paper and paper product mfg								
241	Printing and services to printing								
242	Publishing								
251	Petroleum refining								
253	Basic chemical mfg								
254	Other chemical product mfg								
255	Rubber product mfg								
256	Plastic product mfg								
26	Non-metallic mineral product mfg								
271	Iron and steel mfg								
272	Basic non-ferrous metal mfg								
273	Non-ferrous basic metal product mfg								
274	Structural metal product mfg								
275	Sheet metal product mfg								
276	Fabricated metal product mfg								
281	Motor vehicle and part mfg								
282	Other transport equipment mfg								
283	Photographic and scientific equipment mfg								
284	Electronic equipment mfg								
285	Electrical equipment and appliance mfg								
286	Industrial machinery and equipment mfg								
29	Other mfg								
36-37	Electricity, gas and water supply								
571	Accommodation								
611	Road freight transport								
620	Rail transport								
630	Water transport								
640	Air and space transport								
650	Other transport								
66	Services to transport								
670	Storage								
771	Property operators and developers								
772	Real estate agents								
774	Machinery and equipment hiring and leasing								
782	Technical services								
783	Computer services								
784	Legal and accounting services								
785	Marketing and business management services								
786	Other business services								
Total									

(a) Reference base of each index 1998-99 = 100.0

STAGE OF PRODUCTION(a): Preliminary commodities index points change

ANZSIC 1993	DOMESTIC			IMPORTS			TOTAL		
	Jun Qtr	Sep Qtr	Change	Jun Qtr	Sep Qtr	Change	Jun Qtr	Sep Qtr	Change
	2009	2009		2009	2009				
012-013	Grain, sheep, beef and dairy cattle farming								
011, 014-016	Other agriculture								
02	Services to agriculture; hunting and trapping								
030	Forestry and logging								
110	Coal Mining								
120	Oil and gas extraction								
131	Metal ore mining								
14	Other mining								
211	Meat and meat product mfg								
212	Dairy product mfg								
213-214	Fruit and vegetable processing; oil and fat mfg								
215	Flour mill and cereal food mfg								
216	Bakery product mfg								
217	Other food mfg								
218	Beverage and malt mfg								
22	Textile, clothing, footwear and leather mfg								
231	Log sawmilling and timber dressing								
232	Other wood product mfg								
233	Paper and paper product mfg								
241	Printing and services to printing								
242	Publishing								
251	Petroleum refining								
253	Basic chemical mfg								
254	Other chemical product mfg								
255	Rubber product mfg								
256	Plastic product mfg								
26	Non-metallic mineral product mfg								
271	Iron and steel mfg								
272	Basic non-ferrous metal mfg								
273	Non-ferrous basic metal product mfg								
274	Structural metal product mfg								
275	Sheet metal product mfg								
276	Fabricated metal product mfg								
281	Motor vehicle and part mfg								
282	Other transport equipment mfg								
283	Photographic and scientific equipment mfg								
284	Electronic equipment mfg								
285	Electrical equipment and appliance mfg								
286	Industrial machinery and equipment mfg								
36-37	Electricity, gas and water supply								
571	Accommodation								
611	Road freight transport								
620	Rail transport								
630	Water transport								
640	Air and space transport								
650	Other transport								
66	Services to transport								
670	Storage								
771	Property operators and developers								
772	Real estate agents								
774	Machinery and equipment hiring and leasing								
782	Technical services								
783	Computer services								
784	Legal and accounting services								
785	Marketing and business management services								
786	Other business services								
	Total								

(a) Reference base of each index 1998-99 = 100.0

EXPLANATORY NOTES

INTRODUCTION

1 This publication and associated data cubes and time series spreadsheets available on the ABS website, contain a range of producer price indexes. Economy-wide indexes are presented within a stage of production framework in this publication. A set of other indexes relating to products or services that are primary to specific industries (selected manufacturing, construction, mining and service industries) are available on the ABS website <<http://www.abs.gov.au>>.

2 Index numbers for the producer prices stage of production, services and construction indexes, are primarily calculated on the reference base 1998–99=100.0. The index numbers for other producer price indexes are primarily calculated on the reference base 1989–90=100.0. New manufacturing and services indexes, introduced as part of the ANZSIC 2006 implementation in the September quarter 2009, are calculated on the reference base 2001-02 = 100.0. (Further information relating to the reference bases is presented in the Appendix to the March quarter 2009 issue of this publication).

GENERAL

Industry versus product

3 Producer price indexes relate to products that are primary to a particular industry, irrespective of the industrial classification of establishments undertaking the activity. The indexes do not represent the activity of establishments classified to a particular industry. For ease of use, some of the tables relating to producer price indexes carry the title 'Selected output of an ANZSIC Division or Sub-division'. This indicates selected output of products primary to that ANZSIC Division or Sub-division. The labels for the tables available on the ABS website <<http://www.abs.gov.au>> in the *Producer Price Indexes, Australia* (cat. no. 6427.0) have been shortened. The coverage of these tables is described in the explanatory notes of the *Producer Price Indexes, Australia* (cat. no. 6427.0).

Output and input indexes

4 The output producer price indexes relate to selected products that are primary to a particular industry, irrespective of the industrial classification of establishments undertaking the activity. The indexes therefore, do not represent the activity of establishments classified to a particular industry. The input producer price indexes relate to selected products used by establishments classified to particular industries. (For ease of use, the labels for the tables for other producer price indexes available on the ABS website <<http://www.abs.gov.au>> have been shortened). The coverage of these tables is described in the explanatory notes below.

Valuation basis

5 The valuation basis for the transactions covered by an output index is basic prices, defined as the amount received by the producer exclusive of any taxes on products and transport and trade margins (i.e. the pricing point is ex-factory, ex-farm, ex-service provider, etc.).

6 On the other hand, an input index has a valuation basis of purchasers' prices, defined as the amount paid by the purchaser inclusive of any non-deductible taxes on products and transport and trade margins (i.e. the prices recorded in the index should be those relating to products delivered into store, delivered on site, etc.).

7 In reality, industry practice may mean that it is sometimes necessary to diverge from the conceptual ideal in order to obtain actual transaction prices. For example, although the pricing point for the output index Price Indexes of Articles Produced by Manufacturing Industries is ex-factory, in cases where costs such as handling and distribution are built into the manufacturer's selling price, they will be included in the index.

8 Similarly, for input indexes such as the Price Index of Materials Used In House Building, which has a pricing point of delivered on site, it has sometimes been necessary to use the nearest actual transaction price available, e.g. prices of materials supplied and fixed.

EXPLANATORY NOTES *continued*

Valuation basis continued

9 The GST is excluded from all the prices recorded in the current producer price indexes because, in the main, it is deductible on business-to-business transactions. In the case of future service industry output indexes relating to business-to-household transactions, the GST will also be excluded because the pricing basis will be basic prices (i.e. exclusive of product taxes).

Items and weights

10 The indexes are fixed weighted indexes of the Laspeyres form. The list of items and the weights are updated periodically to ensure they remain representative. New index series compiled using updated weights are linked to the previous series to maintain a continuous series. Broad level weights are derived from an analysis of the latest available input-output tables as well as other ABS and industry sources.

11 Where prices of items are expected to move in a similar way, many of the directly priced items carry not only their own weight but also the weight of similar commodities.

Price measurement

12 The main sources of ongoing price data are samples of businesses. The samples can relate to either buyers or sellers, or a combination of both. The choice is influenced by the pricing point of the index (output or input) and practical considerations such as the relative degree of concentration of buyers, and of sellers, and the implications for sample sizes and costs.

13 The main pricing methodology used is specification pricing, under which a manageable sample of precisely specified products is selected, in consultation with each reporting business, for repeat pricing. In specifying the products, care is taken to ensure that they are fully defined in terms of all the characteristics which influence their transaction prices. As such, all the relevant technical characteristics need to be described (e.g. make, model, features) along with the unit of sale, type of packaging, conditions of sale (e.g. delivered, payment within 30 days), etc.

14 When the quality or the specifications of an item being priced change over time, adjustments are made to the reported prices so that the index captures only pure price change. That is, any element of price change attributable to a change in quality is removed. If there is an increase (decrease) in the quality of an item, then the price is adjusted downwards (upwards) to reflect the 'worth' of the quality change. This technique is known as pricing to constant quality.

15 Another very important consideration in establishing and maintaining price collections is to ensure that the prices reported are actual market transaction prices. That is, they must reflect the net prices received (or paid) after taking into account all discounts applied to the transactions whether they be volume discounts, settlement discounts or competitive price cutting discounts which are likely to fluctuate with market conditions.

16 Any rebates also need to be considered. The collection of nominal list prices, or book prices, is unlikely to yield reliable price indexes and could result in quite misleading results if fluctuations in transaction prices are not captured. The ABS therefore asks respondent businesses to report details of the discounts they offer so that actual transaction prices can be calculated. In addition, as many different types of discounts apply to business-to-business transactions (see paragraph 15), considerable effort is put into monitoring discount practices in order to identify changes to existing discounts and the introduction of new ones.

17 Specification pricing is not feasible in cases where the products are unique and not reproduced over time, e.g. construction industry output and many of the customised business services. As a result alternative pricing techniques need to be used, often involving compromise. Some of the approaches adopted include the use of model pricing, collecting unit values for reasonably homogeneous components of a good or service, input pricing and collecting charge-out rates (e.g. for a legal service).

EXPLANATORY NOTES *continued*

Classifications

18 As far as possible, the industry sector indexes have been constructed in accordance with the *Australian and New Zealand Standard Industrial Classification (ANZSIC 2006)*. Prior to September quarter 2009, all of the series were based on the ANZSIC 1993 classification. The stage of production 'contribution to change' series (tables 5–9) remain on an ANZSIC 1993 basis. However, from the September quarter 2009 onwards, the other producer price indexes relating to products primary to specific industries are based on ANZSIC 2006. A mapping has been prepared to enable the ANZSIC 2006 producer price indexes to be represented under the ANZSIC 1993 stage of production framework. Further information on the new industrial classification can be found in the Appendix to the March quarter 2009 issue of this publication, as well as in *Information Paper: Update on ANZSIC 2006 Implementation for Producer and International Trade Price Indexes, Australia, 2009* (cat. no. 6427.0.55.002).

STAGE OF PRODUCTION (SOP) PRODUCER PRICE INDEXES

Introduction

19 Tables 1–9 present producer price indexes for the supply of commodities to the Australian economy in a stage of production (SOP) framework. As such, the indexes cover both domestically produced and imported commodities, individually and in aggregate. The SOP indexes are compiled from data used in the industry sector indexes, the international trade indexes and some additional data collections. The indexes are calculated on the reference base 1998–99=100.0.

20 These indexes are compiled within the statistical framework outlined in *Information Paper: An Analytical Framework for Price Indexes in Australia, 1997* (cat. no. 6421.0) and are designed to support the study of inflation.

21 A more detailed explanation of the SOP concept is contained in *Information Paper: Producer Price Index Developments, 1999* (cat. no. 6422.0). The index numbers in this current publication cannot be directly compared with the experimental index numbers in the information paper because:

- the coverage of the series has been expanded to include selected service and construction industries; and
- the weighting patterns of the indexes have been updated to 1996–97 and the reference base of the indexes has been updated to 1998–99=100.0.

Pricing basis

22 In concept the valuation basis of the SOP indexes is basic prices (see paragraphs 5–9). However, the use of component series from existing ABS price collections in some cases results in the pricing basis diverging from this ideal. For example, imports are priced on a 'free-on-board' (f.o.b) basis, not 'cost, insurance, freight' (c.i.f), which approximates basic prices.

The SOP concept

23 The indexes are compiled using the SOP concept. Under this concept flows of commodities are categorised according to their economic destination on a sequential basis along the production chain. The basis for the categorisation is the Australian input–output tables (1996–97). The primary categorisation is between final commodities (i.e. commodities destined for final consumption, capital formation or export) and non–final commodities (i.e. commodities that flow into intermediate consumption for further processing).

24 This initial breakdown of the commodity flows into final and non–final represents a useful economic dissection of producers' transactions. However, the non–final commodities can flow into the production of both final and other non–final commodities. Therefore, to aid analysis, the non–final commodity flows have been divided on a sequential basis between Stage 1 (or preliminary) commodities and Stage 2 (or intermediate) commodities as illustrated below. This approach results in three separate stages of production.

EXPLANATORY NOTES *continued*

The SOP concept continued



25 The three stages are not aggregated in order to avoid the potential distorting effects that may result from multiple counting of changes in transaction prices as commodities flow through different production processes.

26 Under this framework, preliminary (Stage 1) commodities are used in the production of intermediate (Stage 2) commodities; in turn intermediate (Stage 2) commodities flow into the production of final (Stage 3) commodities.

27 The framework allows for analyses of price change as commodities flow through production processes. Price changes for earlier stages of production may be indicators of possible future price changes for later stages.

Transaction flow approach

28 The ABS has adopted a transaction flow approach in disaggregating commodity supply into the various production stages. This approach means that the assignment of a commodity to a stage is based on the proximity of its use in final demand.

29 Alternative degree of fabrication or principal destination approaches are employed by statistical agencies in some other countries. These approaches result in the allocation of particular commodities to one, and only one, stage. This would present particular problems for Australia due to the openness of the economy, with exports (and imports) equivalent to about 20% of gross domestic product. Commodities such as wheat, wool, and iron ore are exported in large volumes as well as being further processed locally. The allocation of such commodities to a single stage would be very arbitrary by necessity.

30 Adopting the transaction flow approach means, for example, that exported wheat and domestically used wheat are treated as different commodities for index construction purposes. Under this approach commodities transactions can be allocated to more than one stage. Exported wheat is treated as a final (Stage 3) commodity while wheat used domestically to make the flour used in bread production is considered to be a preliminary (Stage 1) commodity. Similarly, commodities such as energy and containers appear under all three categories.

Scope and coverage

31 Producer price indexes conventionally relate to the output of domestic industries, at basic prices, either inclusive or exclusive of exports. As the main focus is on domestic inflation, exports are excluded from the headline SOP series 'Final (Stage 3) commodities', as presented in the key figures on the front page and in tables 1–6. Index series for Final (Stage 3) commodities including exports are available in tables 24 and 25.

32 Imports have also been incorporated within the framework, recognising that they represent an important potential source of inflationary pressure.

33 In concept, the SOP indexes incorporate all flows of goods and services. However, currently there is limited coverage of service industries and the construction industry by the producer price indexes (see sections on construction industry and service industries producer price indexes below).

34 Price indexes for most Transport and storage services (Division I of ANZSIC) and Property and business services (Division L of ANZSIC) industries have been included in the SOP framework. However, price series for most Final (Stage 3) consumer services are not currently available on a sufficiently timely basis to allow their inclusion in the indexes. This has the effect of decreasing the relative weight of consumer items versus capital items in the final stage. It is intended to introduce additional services price series as they become available, along with the consequential weight changes.

EXPLANATORY NOTES *continued*

Scope and coverage continued

35 Index coverage for the construction industry (Division E of ANZSIC 1993) is currently limited to the output of the following ANZSIC 1993 classes:

- 4111 House construction;
- 4112 Residential building construction n.e.c.;
- 4113 Non-residential building construction; and
- 4121 Road and bridge construction.

36 As with services, it is intended to introduce further construction price series as they become available.

Items and weights

37 The items included in the indexes reflect the values of commodity flows, for both domestic supply and imports, allocated to stages based on an analysis of detailed 1996–97 input–output tables. The index structures and weighting patterns for the SOP indexes are shown in the Appendix of the December 2002 issue of this publication.

Comparisons with the Consumer Price Index

38 Final (Stage 3) indexes are presented for consumer commodities. It should be noted that this index is not directly comparable with the Consumer Price Index (CPI). The two indexes differ significantly in concept and coverage. The major differences are:

- the pricing basis for the Final (Stage 3) SOP consumer index is basic prices (see paragraph 21). The CPI, however, measures changes in purchasers' prices, i.e. the actual retail prices paid by households for products, inclusive of non-deductible taxes on products, such as the GST, and any transport and trade margins;
- the coverage of the two indexes differs. Currently the Final (Stage 3) SOP consumer index mainly measures changes in the prices of goods, i.e. most household services are currently excluded from the index (see paragraph 33). The CPI covers both goods and services;
- the indexes have different weighting bases. The weighting pattern for the Final (Stage 3) SOP consumer index is based on the 1996–97 input–output tables, while the CPI weighting pattern is based on the 2003–04 Household Expenditure Survey.

MANUFACTURING INDUSTRIES PRODUCER PRICE INDEXES

Introduction

39 The manufacturing output producer price indexes relate to selected products (i.e. articles produced) primary to the manufacturing industry, while the manufacturing input producer price indexes relate to materials used by establishments classified to the manufacturing industry. They are important sources of data for the SOP indexes.

40 Tables 10 and 11 present the Price Indexes of Articles Produced by Manufacturing Industries and tables 12–14 present the Price Indexes of Materials Used in Manufacturing Industries. Basic prices are used for the output index and purchasers' prices for the input index (see paragraphs 5–9). Therefore, as far as possible, ex-factory prices are included in the output index. Delivered into factory prices are included in the input index.

41 Table 30 presents Price Indexes of Copper Materials used in the manufacture of electrical equipment.

42 The reference base for all of the ANZSIC 2006 classified manufacturing input and output indexes linked to previous ANZSIC 1993 classified indexes is 1989–90 = 100.0. The reference base for new manufacturing input and output indexes, introduced as part of the ANZSIC 2006 implementation in the September quarter 2009, is 2001–02 = 100.0. (Further information relating to the reference bases is presented in the Appendix to the March quarter 2009 issue of this publication).

Scope

43 Prior to the September quarter 2009, the manufacturing indexes were constructed on a net sector basis with intra-sector transactions netted out. The scope of the output indexes was therefore restricted to transactions in produced articles primary to the defined sector of Australian manufacturing industry that were sold or transferred to domestic establishments outside that sector, or used as capital equipment, or exported. The scope of the input indexes related to transactions in materials used in defined

EXPLANATORY NOTES *continued*

Scope continued

sectors of the Australian manufacturing industry that were produced by domestic establishments outside that sector, or imported.

44 From the September quarter 2009, the manufacturing indexes are constructed on a gross sector basis. The scope of the output indexes includes transactions in produced articles primary to the defined sector of Australian manufacturing industries that are sold or transferred to domestic establishments within or outside that sector for further processing, or used as capital equipment, or exported. Articles are defined as all products primary to the manufacturing industry excluding commission production products and general government consumption of fixed capital. The scope of the input indexes relates to transactions in materials used by establishments classified to the manufacturing industry. Materials are defined as products primary to ANZSIC 2006 divisions A – D that are consumed by establishments classified to the manufacturing industry.

45 An advantage of the net sector approach over the gross sector approach was that it avoided the potential distorting effects that may have resulted from multiple counting of changes in transaction prices as commodities flow through different production processes. However, although conceptually valid, the exclusion of the internal intermediate transactions from the net sector manufacturing division indexes resulted in incomplete coverage of the targeted sector of the economy. Prior to the September quarter 2009, in order to increase coverage, while still avoiding the multiple counting issue, independent net sector measures were constructed for articles primary to manufacturing subdivisions and groups on an ANZSIC 1993 basis. While having intermediate transactions between different manufacturers within a given subdivision or group netted out, intermediate transactions with manufacturers in other subdivisions/groups were in-scope.

46 Following further analysis and discussions with key users of the indexes, the ABS has determined that the potential for distortion from multiple counting of changes in transaction prices is low. An advantage of the gross sector approach is improved coverage of transactions primary to the targeted sector of the economy. Intermediate transactions between manufacturers in other ANZSIC subdivisions or groups and transactions between different manufacturers within the same ANZSIC subdivision or group are in-scope. The change in concept from net to gross sector will not have a material impact, as the same influences affect prices whether transactions occur within or outside the manufacturing industry.

47 The gross sector approach is more appropriate for use alongside the SOP framework. Conceptually, the SOP indexes are economy-wide relating to transactions primary to all the goods and services industries, and the gross sector approach is more consistent with the system of national accounts.

48 The manufacturing division output index (table 10), from the September quarter 2009 onwards, measures changes in prices of articles that are primary to ANZSIC 2006 Division C–Manufacturing, that are sold or transferred to domestic establishments within or outside the manufacturing division for further processing, intermediate use or used as capital equipment or exported. Prior to the September quarter 2009 this index was constructed on a net sector basis (see paragraphs 43–47 above).

49 Similarly, the output indexes for articles primary to manufacturing subdivisions and groups (table 11), prior to September quarter 2009 were constructed on a net sector basis. They excluded intermediate transactions in produced articles primary to the specific manufacturing subdivision or group that were sold or transferred within that subdivision or group for further processing. From the September quarter 2009 onwards, the manufacturing subdivision, group and class indexes measure transactions within and outside the subdivision or group.

Classification

EXPLANATORY NOTES *continued*

Classification continued

50 The manufacturing division input index (tables 12 and 13), from the September quarter 2009 onwards, measures changes in prices of materials used in ANZSIC 2006 Division C – Manufacturing, that have been purchased or transferred in from domestic establishments within or outside the manufacturing division, or imported. Prior to the September quarter 2009 this index was constructed on a net sector basis (see paragraph 42–46 above).

51 Similarly, the input indexes for materials used in manufacturing subdivisions and groups (table 14), prior to September quarter 2009 were constructed on a net sector basis. They excluded intermediate transactions in materials used in a specific manufacturing subdivision or group that were sold or transferred within that subdivision or group for further processing. From the September quarter 2009 onwards, the manufacturing subdivision and group indexes measure input purchases or transfers within and outside the subdivision or group.

Items and weights

52 The items included in the manufacturing indexes reflect the values of articles produced and materials used based on an analysis of detailed 2001–02 input–output tables.

53 The index structures and weighting patterns for the manufacturing input and output division indexes are shown in Appendix 1 of *Information Paper: Update on ANZSIC 2006 Implementation for Producer and International Trade Price Indexes, Australia, 2009* (cat. no. 6427.0.55.002). Index structures and weighting patterns for the associated ANZSIC subdivisions and groups are available from the ABS website <<http://www.abs.gov.au>> as data cubes in that information paper (cat. no. 6427.0.55.002).

CONSTRUCTION INDUSTRY PRODUCER PRICE INDEXES

Introduction

54 The construction producer price indexes relate to outputs primary to ANZSIC 2006 Division E and the House building (i.e. material used) input index relates to products used by establishments classified to ANZSIC 2006 Division E. These indexes are important sources of data for the SOP index.

55 Table 15 presents the Price index of the outputs that are primary to the building construction subdivision and selected construction industry classes. Tables 16 and 17 present the price index of Materials used in house building. The pricing basis is basic prices for the output indexes and purchasers' prices for the input index (see paragraphs 5–9 above). Therefore, as far as possible, builders' selling prices are reflected in the output index and delivered on site prices in the input index.

56 Table 31 presents the price indexes for Asphalt supply and Asphalt placed for the weighted average of six capital cities. These indexes measure changes in the price of the supply, delivery and placement of selected grades of asphaltic concrete used in road construction in capital city statistical divisions. As far as possible, actual transaction prices are used in this index.

57 The output indexes are calculated on the reference base 1998–99=100.0 and the input indexes on the reference base 1989–90=100.0.

Scope

58 The construction outputs price index (in table 15) measures changes in prices of the outputs primary to the constituent subdivision and classes. Presented in this table is the ANZSIC 2006 subdivision Building construction which consists of three classes: House construction (3011); Other residential building construction (3019); and Non-residential building construction (3020). Outputs primary to the class Road and bridge construction (3101) are also presented in this table.

EXPLANATORY NOTES *continued*

Scope continued

59 The construction input indexes (tables 16 and 17) measures changes in prices of Materials used in house building, where a house is defined as a detached building predominantly used for long-term residential purposes and consisting of only one dwelling unit.

60 The input index does not explicitly cover alterations, additions, renovations and repairs. It relates to the statistical division for each State capital city.

Items and weights

61 ANZSIC 2006 class output indexes at the national level are aggregated to the relevant group and subdivision using weights derived primarily from values of the supply of new general construction products in Australia as measured in input-output statistics. ANZSIC 2006 class indexes at the State and Territory level are aggregated to the national level using proportions based on the value of work done by State and Territory and type of construction as measured by ABS building and construction activity statistics. From December quarter 2007 index numbers have been calculated using an updated weighting pattern in which input-output values for 2001-02 have replaced 1996-97 values and new State and Territory activity proportions have been derived from the two calendar years 2005 and 2006 to replace previous proportions derived from a 5 year average of the years 1994-95 to 1998-99. The indexes generally use prices for work undertaken in each capital city, as construction activity in the city is taken to represent the whole State or Territory. For Queensland, however, other residential building construction and non-residential building construction also use prices obtained for North Queensland.

62 The items and weights for the price index of Materials used in house building were derived from reported quantities of each material used in selected representative houses in the three years ending 2002-03. The weighting pattern for each capital city index will reflect variations in prices for the cities as applied to an Australian average basket of house building materials, with some allowance for city specific building practices e.g. the differential use of steel and timber materials in Perth and Adelaide compared with the other capital cities. The weighting patterns for the price index of Materials used in house building are set out in Appendix 2 of the September quarter 2005 issue of this publication. Note that the weights shown are values based on the quantities of various materials used in house building over the 3 years ended 2002-03, valued at September quarter 2005 prices.

MINING INDUSTRY PRODUCER PRICE INDEXES

63 Table 18 presents Price Indexes of Materials used in coal mining. The pricing basis of the index is purchasers' prices (see paragraphs 5-9) and, as far as possible, the prices included in the index are for items delivered to the mine site or to the primary storage area for a group of mines.

64 The items included in the indexes reflect the value of materials used in the operation of open cut and underground coal mines in Australia during 1999-2000. The index structures and weighting patterns are available on request.

65 The indexes are calculated on the reference base 1989-90=100.0.

SERVICE INDUSTRIES PRODUCER PRICE INDEXES

Introduction

66 Tables 19-23 present index numbers for selected services primary to the following ANZSIC 2006 divisions; Division I-Transport, postal and warehousing; Division J-Information media and telecommunications; Division L-Rental, hiring and real estate services; Division M-Professional, scientific and technical services; Division N-Administrative and support services; Division O-Public administration and safety and Division S-Other services. The pricing basis of each index is basic prices (see paragraphs 5-9). Prices used in the index relate to the amount received by the service provider. These indexes are important sources of data for the SOP indexes. The original index numbers are calculated on the reference base 1998-99=100.0. New indexes created have been backcast to September 2001. These index numbers are calculated on the reference base 2001-02=100.0.

EXPLANATORY NOTES *continued*

Introduction continued

67 These indexes represent the results to date of a program to progressively extend the scope of the producer price indexes into the service sectors of the economy. First results from the program were published in March 1999, by way of experimental indexes, in *Information Paper: Producer Price Index Developments* (cat. no. 6422.0). Similarly, changes to the indexes published from September quarter 2009 on the ANZSIC 2006 basis have been documented in *Information Paper: Update on ANZSIC 2006 Implementation for Producer and International Trade Price Indexes, Australia, 2009* (cat. no. 6427.0.55.002).

Scope

68 The transport, postal and warehousing, information media and telecommunications, rental, hiring and real estate services, professional, scientific and technical services, and administrative and support services, public administration and safety and other services division indexes measure changes in prices of services primarily defined to particular ANZSIC 2006 divisions, excluding general government consumption of fixed capital. Selected output for these divisions is provided in tables 19 – 23. Note that some ANZSIC classes within these divisions do not yet have established indexes, and thus are not represented within these tables.

Items and weights

69 From September quarter 2009, ANZSIC class indexes are aggregated to the relevant group, subdivision and division using weights derived from 2001–02 input–output domestic production values, in combination with data from other ABS surveys and industry sources. Prior to this weights were derived from 1996–97 input–output values.

Price measurement

70 The development of these new price collections has involved a wide range of diverse industries with different measurement problems. Accordingly, extensive consultation with industry associations and individual businesses has been undertaken to determine the most viable approach, on a case-by-case basis.

71 Characteristics found within the services sector of the economy have complicated the task of price measurement.

72 The tendency within many industries to provide unique, one-off services tailored to the needs of individual customers has posed difficulties in establishing continuity of pricing to constant quality.

73 The 'bundling' of a range of different component services within the one transaction or contract has required investigation of the feasibility of 'unbundling', that is, obtaining separate prices for each of the components of the total service. Where this has not proven to be feasible, the whole service bundle has been priced in total.

74 Respondent businesses are asked to report details of any discounts they offer so that actual transactions prices can be calculated. However, as discounts are sometimes negotiated between individual buyers and sellers in relation to particular transactions, identifying discounts has not always been straightforward.

75 The deregulation of some service industries leads to structural changes and more complex pricing practices. To deal with this, samples are continually updated to incorporate new businesses and pricing methodologies are reviewed over time.

Future developments

76 It is planned to make available indexes for the majority of remaining ANZSIC 2006 classes within the services divisions after they have been developed from experimental to production status. At such time these new indexes would contribute to the broader indexes in this publication and associated outputs available on the ABS website.

INDEX NUMBERS

77 Index numbers for financial years are simple averages of the relevant quarterly index numbers.

EXPLANATORY NOTES *continued*

INDEX NUMBERS *continued*

78 Indexes for the price index of Materials used in house building are presented separately for each of the six State capital cities. These city indexes measure price movements over time for each city. They do not measure differences in price levels between cities.

ANALYSIS OF INDEX CHANGES

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

80 Movements in indexes from one period to another can be expressed either as changes in 'index points' or as percentage changes. The following example illustrates the method of calculating index points changes and percentage changes between any two periods:

81 Stage of Production: Total Final commodities index numbers

March quarter 2009	135.0
less March quarter 2008	129.8
Change in index points	5.2
Percentage change	$5.2/129.8 \times 100 = 4.0\%$

82 Tables 5, 6 and 7 provide analyses of the index points contribution which ANZSIC groups make to the stage of production final commodities indexes, in total, and then separately for domestic and imported commodities. For example, in table 5 petroleum refining contributed X.XX index points to the Total Final commodities index number of xxx.x for September quarter 2009 and x.xx index points to the net change of x.xx index points between June quarter 2009 and September quarter 2009.

83 Tables 8 and 9 analyse the contributions to the intermediate and preliminary commodities index numbers, respectively.

84 Similar contribution tables are available on request for most of the industry sector indexes.

FURTHER INFORMATION

85 Further information on recent price index developments in the ABS is presented in the following publications:

Information Paper: Producer and International Trade Price Indexes; Concepts, Sources and Methods, 2006, cat. no. 6429.0

An Analytical Framework for Price Indexes in Australia, cat. no. 6421.0

Producer Price Index Developments, cat. no. 6422.0

Review of the Import Price Index and Export Price Index, Australia, cat. no. 6424.0

Price Indexes and The New Tax System, cat. no. 6425.0

Information Paper: The Introduction of Hedonic Price Indexes for Personal Computers, 2005, cat. no. 6458.0

Information Paper: Changes to the Weights of the Price Indexes for the Output of the General Construction Industry, Australia, 2008, cat. no. 6406.0

Australian and New Zealand Standard Industrial Classification (ANZSIC), 2006 (Revision 1.0), cat. no. 1292.0

Information Paper: Update on ANZSIC 2006 Implementation, Australia 2008, cat. no. 1295.0.55.001

Information Paper: Update on ANZSIC 2006 Implementation for Producer and International Trade Price Indexes, Australia 2009, cat. no. 6427.0.55.002

RELATED PUBLICATIONS

86 Users may also wish to refer to the following related publications, which are

EXPLANATORY NOTES *continued*

RELATED PUBLICATIONS

continued

available from ABS bookshops:

International Trade Price Indexes, Australia, cat. no. 6457.0

Consumer Price Index, Australia, cat. no. 6401.0

Labour Price Index, Australia, cat. no. 6345.0

Australian National Accounts, Input–Output Tables, cat. no. 5209.0

Balance of Payments and International Investment Position, Australia, cat. no. 5302.0

87 Current publications and other products released by the ABS are listed in the *Catalogue of Publications and Products* (cat. no. 1101.0). The Catalogue is available from any ABS office or the ABS website <<http://www.abs.gov.au>>. The ABS also issues a daily *Release Advice* on the website which details products to be released in the week ahead.

Sample

APPENDIX CONCORDANCE OF OLD TO NEW PPI TABLES

ANZSIC 2006 CONCORDANCE TABLE NUMBERS

<i>Old Table No.</i>	<i>Old Table Name</i>	<i>New Table No.</i>	<i>New Table Name</i>
STAGE OF PRODUCTION PRODUCER PRICE INDEXES		STAGE OF PRODUCTION PRODUCER PRICE INDEXES	
1	Index numbers by stage and source	1	Index numbers by stage and source
2	Percentage change by stage and source	2	Percentage change by stage and source
3	Index numbers, final commodities by source and destination	3	Index numbers, final commodities by source and destination
4	Percentage change, final commodities by source and destination	4	Percentage change, final commodities by source and destination
5	Contribution to change in final commodities index by industry and source	5	Contribution to change in final commodities index by industry and source
6	Contribution to change in domestic final commodities index by industry and destination	6	Contribution to change in domestic final commodities index by industry and destination
7	Contribution to change in imported final commodities index by industry and destination	7	Contribution to change in imported final commodities index by industry and destination
8	Contribution to change in intermediate commodities index by industry and source	8	Contribution to change in intermediate commodities index by industry and source
9	Contribution to change in preliminary commodities index by industry and source	9	Contribution to change in preliminary commodities index by industry and source
MANUFACTURING INDUSTRIES PRODUCER PRICE INDEXES		ADDITIONAL TABLES AVAILABLE ON ABS WEBSITE MANUFACTURING INDUSTRIES PRODUCER PRICE INDEXES	
10	Articles produced by manufacturing industries, division index numbers and percentage change	10	Articles produced by manufacturing industries, division index numbers and percentage changes
11	Articles produced by manufacturing industries, subdivision and group index numbers	11	Articles produced by manufacturing industries, index numbers for subdivisions, groups and classes
12	Materials used in manufacturing industries, division index numbers by source	12	Materials used in manufacturing industries, index numbers for division and selected materials
13	Materials used in manufacturing industries, division percentage change by source	13	Materials used in manufacturing industries, division percentage changes
14	Materials used in manufacturing industries, subdivision and group index numbers	14	Materials used in manufacturing industries, index numbers for subdivisions
CONSTRUCTION INDUSTRIES PRODUCER PRICE INDEXES		CONSTRUCTION INDUSTRIES PRODUCER PRICE INDEXES	
15	Output of general construction industry, subdivision index numbers and percentage change	Discontinued	
16	Output of general construction industry, group and class index numbers	15	Selected output of division E construction, group and class index numbers
17	Materials used in house building, index numbers by state capital city	16	Materials used in house building, index numbers by state capital city
18	Materials used in house building, percentage change by state capital city	17	Materials used in house building, percentage change by state capital city
MINING INDUSTRIES PRODUCER PRICE INDEXES		MINING INDUSTRIES PRODUCER PRICE INDEXES	
19	Materials used in coal mining, index numbers and percentage change	18	Materials used in coal mining, index numbers and percentage changes
SERVICE INDUSTRIES PRODUCER PRICE INDEXES		SERVICE INDUSTRIES PRODUCER PRICE INDEXES	
20	Output of transport (freight) and storage industries, division index numbers and percentage change	19	Selected output of division I transport, postal and warehousing, group and class index numbers
21	Output of transport (freight) and storage industries, subdivision index numbers	20	Selected output of divisions J (information media and telecommunications), O (public administration and safety) and S (other services), group and class index numbers
22	Output of property and business services industries, division index numbers and percentage change	21	Selected output of division L rental, hiring and real estate services, subdivision, group and class index numbers
23	Output of property and business services industries, subdivision and group index numbers	22	Selected output of division M professional, scientific and technical services, group and class index numbers
		23	Selected output of division N administrative and support services, group and class index numbers

APPENDIX CONCORDANCE OF OLD TO NEW PPI TABLES *continued*

ANZSIC 2006 CONCORDANCE TABLE NUMBERS *continued*

<i>Old Table No.</i>	<i>Old Table Name</i>	<i>New Table No.</i>	<i>New Table Name</i>
ADDITIONAL TABLES AVAILABLE ON ABS WEBSITE			
STAGE OF PRODUCTION PRODUCER PRICE INDEXES			
24	Index numbers, final commodities by source and destination, including exports	24	Index numbers, final commodities by source and destination, including exports
25	Percentage change, final commodities by source and destination, including exports	25	Percentage change, final commodities by source and destination, including exports
PRICE INDEXES OF ARTICLES PRODUCED BY MANUFACTURING INDUSTRIES			
26	Contribution of subdivisions and groups	26	Contribution of subdivisions
PRICE INDEXES OF MATERIALS USED IN MANUFACTURING INDUSTRIES			
27	Contribution of materials by ANZSIC industry of origin	27	Contribution of selected materials
28	Indexes of metallic materials used in the fabricated metal products industry	28	Indexes of metallic materials used in the fabricated metal products industry
PRICE INDEX OF MATERIALS USED IN HOUSE BUILDING			
29	Contribution to all groups index by State capital city	29	Contribution to all groups index by State capital city
30	Materials group by State capital city	Discontinued	..
PRODUCER PRICE INDEXES FOR SELECTED SERVICE INDUSTRIES			
31	Transport (freight) and storage division index, subdivision and group contributions	Discontinued	..
32	Property and business services division, subdivision and group contributions	Discontinued	..
33	Transport (freight) and storage subdivision group and class index numbers	Discontinued	..
34	Property and business services subdivision group and class index numbers	Discontinued	..
PRICE INDEXES OF COPPER MATERIALS			
35	Copper materials used in the manufacture of electrical equipment, index numbers and percentage change	30	Copper materials used in the manufacture of electrical equipment, index numbers and percentage changes
PRICE INDEXES FOR ASPHALT SUPPLIED AND PLACED			
36	Index numbers, Weighted average of six State capital cities	31	Index numbers, Weighted average of six State capital cities

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