

**PRICE INDEX OF MATERIALS USED IN HOUSE BUILDING,
SIX STATE CAPITAL CITIES AND CANBERRA
FEBRUARY 1994**

MAIN FEATURES

	Change between —	
	January 1994 and February 1994 %	February 1993 and February 1994 %
Weighted average of six State capital cities	0.2	4.9
Sydney	0.3	4.9
Melbourne	0.1	5.7
Brisbane	0.4	3.1
Adelaide	0.5	10.9
Perth	-0.1	1.7
Hobart	-0.2	2.4
Canberra	0.5	5.9

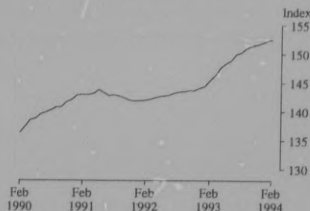
The All groups index (weighted average of the six State capital cities) increased by 0.2 per cent in February 1994 (+0.3 index points).

Increases for a range of items were partly offset by decreases in other items. Again the main contributor to the overall price increase was timber (+0.7 per cent).

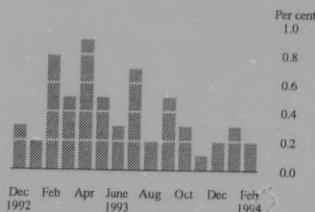
The All groups index (weighted average of the six State capital cities) increased by 4.9 per cent from February 1993 to February 1994.

ALL GROUPS INDEX
Weighted average of six State capital cities

Index numbers
(Base: Year 1985-86 = 100.0)



Percentage change from previous month



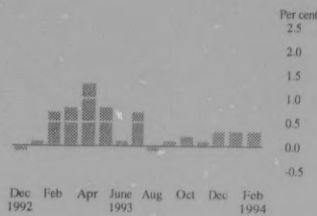
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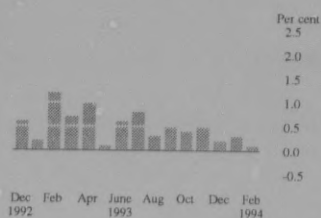
NOTE: Explanatory Notes are published at the back of this publication.

PRICE INDEX OF MATERIALS USED IN HOUSE BUILDING
(Percentage change from previous month)

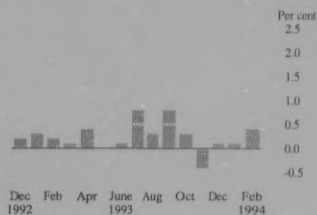
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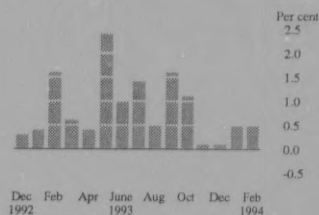
MELBOURNE



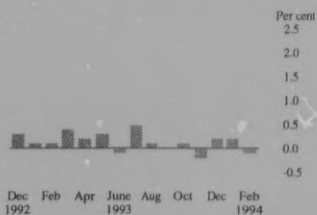
BRISBANE



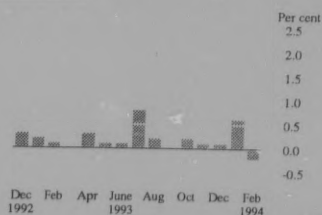
ADELAIDE



PERTH



HOBART



CANBERRA

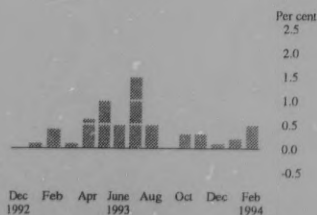


TABLE 1. PRICE INDEX OF MATERIALS USED IN HOUSE BUILDING

Period	Weighted average of six State capital cities						
	Sydney	Melbourne	Brisbane	Adelaide	Perth	Hobart	Canberra
	Base: Year 1985-86 = 100.0						
	INDEX NUMBERS						
							1986-87 = 100.0
1990-91	142.1	145.7	138.1	141.9	136.2	148.7	134.2
1991-92	142.4	146.1	137.3	144.7	135.5	149.3	138.3
1992-93	145.2	148.5	141.1	147.8	137.8	150.5	140.7
1992-93 —							
December	144.1	146.8	140.0	147.5	135.8	150.2	140.4
January	144.4	146.9	140.3	147.9	136.4	150.3	140.7
February	145.5	147.9	142.0	148.2	138.6	150.5	140.8
March	146.3	149.1	143.0	148.4	139.4	151.1	140.8
April	147.6	151.1	144.5	149.0	140.0	151.4	141.2
May	148.3	152.3	144.7	149.0	143.4	151.8	141.4
June	148.8	152.5	145.5	149.2	144.9	151.7	141.6
1993-94 —							
July	149.9	153.5	146.7	150.4	147.0	152.5	142.8
August	150.2	153.3	147.1	150.8	147.8	152.7	143.1
September	150.9	153.5	147.8	152.0	150.2	152.7	143.1
October	151.4	153.8	148.4	152.4	151.9	152.9	143.4
November p	151.6	153.9	149.2	151.8	152.0	152.6	143.5
December p	151.9	154.3	149.5	152.0	152.2	152.9	143.6
January p	152.3	154.7	149.9	152.2	152.9	153.2	144.5
February p	152.6	155.1	150.1	152.8	153.7	153.0	144.2
							151.5

TABLE 1. PRICE INDEX OF MATERIALS USED IN HOUSE BUILDING — continued

Period	Weighted average of six State capital cities	Sydney	Melbourne	Brisbane	Adelaide	Perth	Hobart	Canberra
Base: Year 1985-86 = 100.0								
PERCENTAGE CHANGES								
Change from previous year								
1990-91	4.6	4.7	3.4	5.8	5.0	5.6	4.8	4.5
1991-92	0.2	0.3	-0.6	2.0	-0.5	0.4	3.1	2.9
1992-93	2.0	1.6	2.8	2.1	1.7	0.8	1.7	2.1
Change from corresponding month of previous year								
1992-93 —								
December	1.6	1.2	2.5	2.1	-0.2	0.3	2.3	1.7
January	1.8	1.1	2.8	2.1	1.1	0.5	2.3	1.6
February	2.5	1.6	4.1	1.9	3.1	0.8	2.1	2.4
March	2.9	2.1	4.6	2.3	3.9	1.1	1.4	2.1
April	3.6	3.2	5.4	2.4	4.4	0.9	0.9	2.1
May	3.9	3.8	5.4	2.1	7.1	1.3	0.9	3.0
June	4.2	4.1	5.9	2.0	8.1	0.9	1.0	3.2
1993-94 —								
July	4.7	4.4	6.3	2.8	9.4	1.5	1.8	4.7
August	4.7	4.1	6.2	2.9	9.7	1.8	2.1	5.1
September	5.2	4.3	6.6	3.5	10.9	1.9	2.0	4.8
October	5.4	4.5	6.7	3.7	12.4	2.1	2.1	5.1
November p	5.5	4.7	7.2	3.1	12.3	1.9	2.5	5.6
December p	5.4	5.1	6.8	3.1	12.1	1.8	2.3	5.7
January p	5.5	5.3	6.8	2.9	12.1	1.9	2.7	5.8
February p	4.9	4.9	5.7	3.1	10.9	1.7	2.4	5.9
Change from previous month								
1992-93 —								
December	0.3	-0.1	0.6	0.2	0.3	0.3	0.3	—
January	0.2	0.1	0.2	0.3	0.4	0.1	0.2	0.1
February	0.8	0.7	1.2	0.2	1.6	0.1	0.1	0.4
March	0.5	0.8	0.7	0.1	0.6	0.4	—	0.1
April	0.9	1.3	1.0	0.4	0.4	0.2	0.3	0.6
May	0.5	0.8	0.1	—	2.4	0.3	0.1	1.0
June	0.3	0.1	0.6	0.1	1.0	-0.1	0.1	0.5
1993-94 —								
July	0.7	0.7	0.8	0.8	1.4	0.5	0.8	1.5
August	0.2	-0.1	0.3	0.3	0.5	0.1	0.2	0.5
September	0.5	0.1	0.5	0.8	1.6	—	—	—
October	0.3	0.2	0.4	0.3	1.1	0.1	0.2	0.3
November p	0.1	0.1	0.5	-0.4	0.1	-0.2	0.1	0.3
December p	0.2	0.3	0.2	0.1	0.1	0.2	0.1	0.1
January p	0.3	0.3	0.3	0.1	0.5	0.2	0.6	0.2
February p	0.2	0.3	0.1	0.4	0.5	-0.1	-0.2	0.5

TABLE 2. PRICE INDEXES OF MATERIALS USED IN HOUSE BUILDING
CONTRIBUTION OF SIX STATE CAPITAL CITIES AND GROUPS TO ALL GROUPS INDEX
(Expressed in terms of total All Groups index points) (a)

	January 1994 p	February 1994 p	Change
Weighted average of six State capital cities	152.3	152.6	0.3
<i>Contribution to Weighted average of six State capital cities index (in index points) —</i>			
<i>Groups</i>			
Concrete mix, cement and sand	13.01	13.09	0.08
Cement products	9.27	9.28	0.01
Clay bricks tiles, etc	14.56	14.56	—
Timber, board and joinery	51.79	52.06	0.27
Steel products	5.62	5.63	0.01
Other metal products	20.88	20.84	-0.04
Plumbing fixtures, etc	7.60	7.57	-0.03
Electrical installation materials	3.45	3.45	—
Installed appliances	7.16	7.16	—
Other materials	18.97	18.94	-0.03

(a) For an explanation of this table see paragraph 16 of the Explanatory Notes.

TABLE 3. PRICE INDEX OF MATERIALS USED IN HOUSE BUILDING
GROUP INDEX NUMBERS — WEIGHTED AVERAGE OF SIX STATE CAPITAL CITIES
(Base of each index: Year 1985-86 = 100.0)

Period	Concrete mix, cement and sand	Cement products	Clay bricks, tiles, etc.	Timber, board and joinery	Steel products
1990-91	143.0	136.7	143.5	134.7	150.7
1991-92	139.4	140.9	147.1	132.3	151.3
1992-93	140.4	142.1	149.0	137.2	155.4
1992-93 —					
December	140.5	142.2	149.0	134.3	154.9
January	140.6	142.0	148.8	134.8	155.3
February	140.7	142.2	148.9	137.5	155.7
March	142.0	141.9	149.3	139.1	156.0
April	142.8	141.9	149.3	141.9	156.0
May	143.1	142.4	149.4	144.3	156.4
June	143.6	142.4	149.6	146.4	156.9
1993-94 —					
July	144.4	142.4	150.2	148.8	157.1
August	144.4	142.6	150.2	148.8	156.9
September	144.4	143.2	150.3	149.7	157.2
October	144.3	143.6	150.1	150.9	156.9
November p	143.3	143.5	149.9	151.9	157.2
December p	143.8	143.6	150.0	152.6	157.8
January p	143.8	144.1	150.3	153.3	159.9
February p	144.6	144.3	150.3	154.1	160.2

TABLE 3. PRICE INDEX OF MATERIALS USED IN HOUSE BUILDING
GROUP INDEX NUMBERS — WEIGHTED AVERAGE OF SIX STATE CAPITAL CITIES — continued
(Base of each index: Year 1985-86 = 100.0)

Period	Other metal products	Plumbing fixtures, etc.	Electrical installation materials	Installed appliances	Other materials
1990-91	147.6	176.5	191.3	137.9	138.2
1991-92	147.9	177.3	186.7	144.8	142.4
1992-93	149.4	177.8	183.0	149.1	144.6
1992-93 —					
December	148.9	177.3	184.1	147.5	144.6
January	149.4	177.1	181.6	150.1	144.4
February	150.3	177.7	181.6	150.3	144.4
March	150.7	178.0	181.9	152.0	144.4
April	150.9	178.3	179.5	152.3	146.0
May	150.5	177.5	178.8	152.6	145.9
June	149.8	177.1	178.1	152.6	144.4
1993-94 —					
July	149.5	177.3	179.4	152.7	145.8
August	150.2	180.7	180.0	152.8	146.1
September	150.3	183.0	180.0	156.8	146.4
October	150.3	183.6	178.8	157.1	147.0
November p	150.3	183.2	174.5	157.1	147.4
December p	150.3	183.0	174.1	157.1	147.3
January p	150.2	182.8	175.3	157.1	147.8
February p	149.9	182.3	175.4	157.1	147.6

EXPLANATORY NOTES

Introduction

This publication contains the Price Index of Materials Used in House Building on *reference base: Year 1985-86 = 100.0* for the six State capital cities and *1986-87 = 100.0* for Canberra. The Appendix to the October 1986 issue of this publication contains a more detailed description of the index and its relationship with previous indexes.

Scope and composition

2. The index measures changes in prices of selected materials used in the construction of houses in each capital city Statistical Division. A house is defined as a detached building predominantly used for long term residential purposes and consisting of only one dwelling unit. The index does not purport to represent buildings of any kind other than detached houses.

Items and weights

3. The index is a *fixed weights index*. The items and weights were derived from reported values of each material used in selected representative houses constructed in or about 1985-86. Each capital city has an individual weighting pattern. These reflect the differences in the relative usage of different materials in the various cities and differences in price levels between the cities.

4. The weighting pattern for the six State capital cities was shown in the Appendix to the October 1986 issue of this publication. The weighting pattern for Canberra was shown in the Appendix to the February 1988 issue.

Prices

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

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

7. As far as possible, actual transaction prices are used in this index — that is, prices actually paid by building contractors or sub-contractors to material suppliers for materials delivered on building sites. The actual price paid for anything can, of course, be described in various ways. Instead of being described as a single price (as usually happens in retail shops) a price for a building material may be described in terms of the components that make up the price — for instance 'list

price plus sales tax', 'suppliers price plus freight', 'basic price less (particular types of) discount' and so on. It is these net prices that buyers pay to sellers in exchange for materials that the ABS aims to use in compiling this price index.

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

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

Index numbers

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

11. Index numbers for the latest month and the previous three months are preliminary and subject to revision. However, it may be necessary to revise index numbers for earlier periods, from time to time, where incorrect prices for those periods are detected later on.

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

Analysis of index changes

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

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

Weighted average of six State capital cities index numbers —

February 1994	152.6 (see Table 1)
less February 1993	145.5 (see Table 1)
Change in index points	7.1

$$\text{Percentage change} = \frac{7.1}{145.5} \times 100 = 4.9$$

15. In this publication percentage changes are shown in respect of movements between:

- * consecutive financial years
- * corresponding months of consecutive years
- * consecutive months.

16. Table 2 provides an analysis of the contribution which selected categories of materials make to the total Weighted average of the six State capital cities index. For example, Timber, board and joinery contributed +52.06 index points to the total Weighted average of the six State capital cities index number of 152.6 for February 1994 and +0.27 index points to the net change of +0.3 index points.

Related publications

17. Users may also wish to refer to the following price index publications which are available on request:

Price Index of Materials Used in Building Other Than House Building, Eight Capital Cities (6407.0) — issued monthly

Price Indexes of Materials Used in Manufacturing Industries, Australia (6411.0) — issued monthly

Price Indexes of Articles Produced by Manufacturing Industry, Australia (6412.0) — issued monthly

Price Indexes of Copper Materials, Australia (6410.0) — issued monthly.

18. Other ABS publications which may be of interest include:

Award Rates of Pay Indexes, Australia (6312.0) — issued monthly

Printed by Alan Law, Commonwealth Government Printer, Canberra
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Recommended retail price: \$8.50

Average Weekly Earnings, States and Australia (6302.0) — issued quarterly.

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Unpublished statistics

20. As well as the statistics included in this and related publications, the ABS has a large range of other relevant unpublished data available. Inquiries should be directed to the contact in the phone inquiries box at the front of this publication.

Symbols and other usages

- p preliminary — series subject to revision.
- r figure revised since previous issue.
- nil or rounded to zero.

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