

# Enhancing the Australian CPI

Marcel van Kints & Michael Holt

## Prices Branch, ABS

Views expressed in this presentation are those of the authors and do not necessarily represent those of the Australian Bureau of Statistics





- Enhancement program since 2014
- Focus on topics high-lighted in 16<sup>th</sup> Series CPI review





- Roadmap (Aug 2015)
- Annual re-weighting of the CPI (July 2016)
  - Making greater use of transactions data (Nov 2016)
  - More to come, input from academics and NSOs

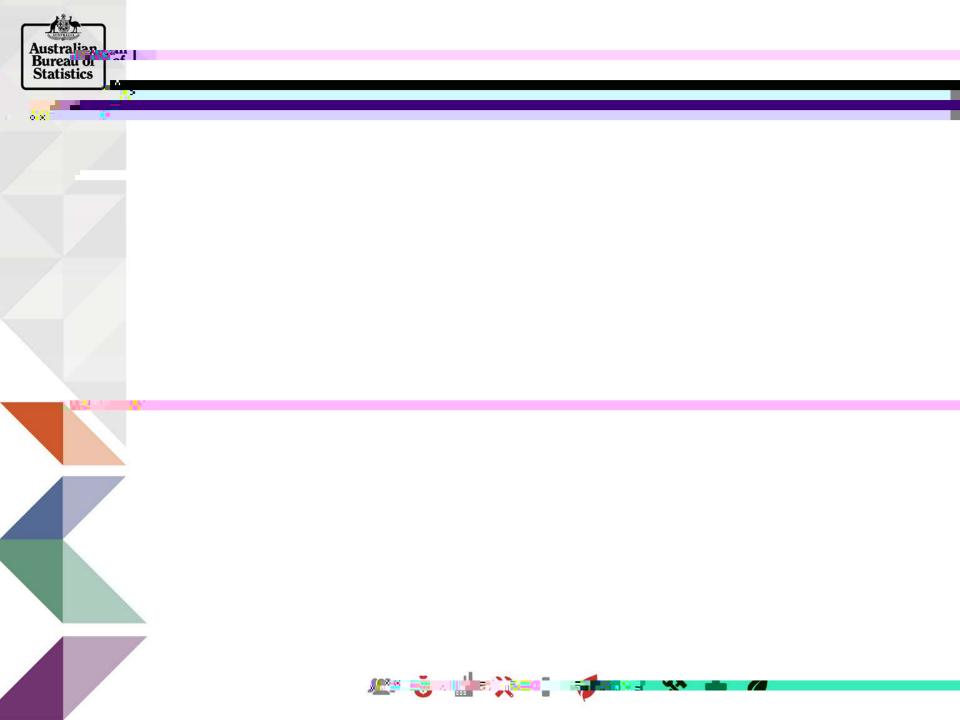
#### Australian Bureau of Statistics Multilateral methods

1. Gini, Eltetö and Köves, and Szulc (GEKS): geometric mean of all ratios of bilateral (Törnqvist) indexes where each entity is taken in turn as base

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2. Time product Dummy (TPD): WLS regression of (log) price against time and product dummy variables





#### Australian Bureau di Statistics Extension methods

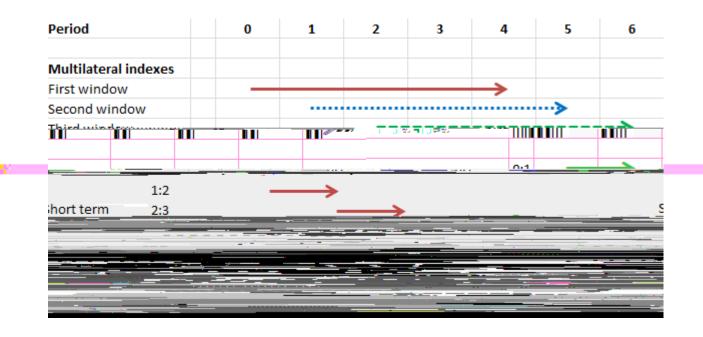
2. Movement splice (rolling window): use the previous period price index as the pivot, and apply the price movement estimated from the new multilateral window



#### Australian Bureau of Statistics Extension methods

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3. Window splice (rolling window): use the period at start of the splicing window as the pivot, and apply full price movement across the new multilateral window





#### Australian Bureau di Statistics Extension methods

4. Half splice (rolling window): use a period in the middle of the splicing window as the pivot, and apply half of the price movement from the new window

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### Australian Bureau of Statistics Assessing methods



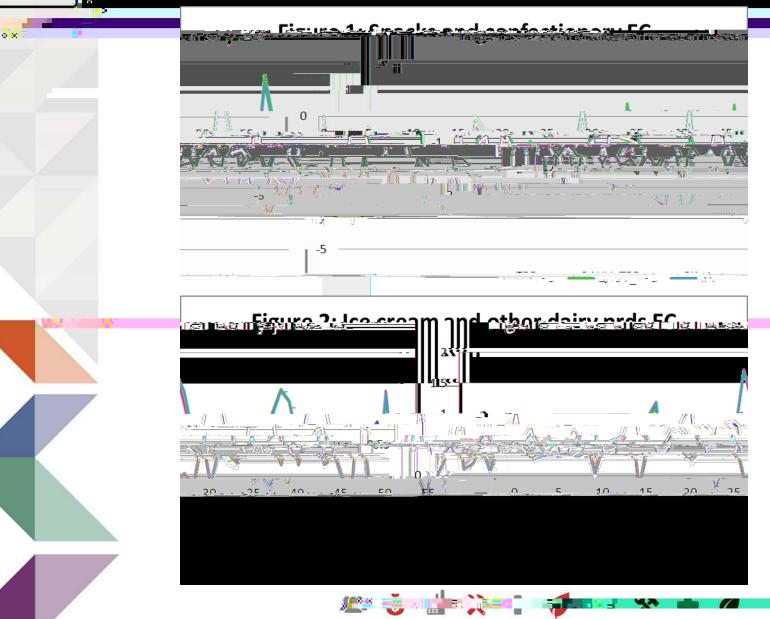


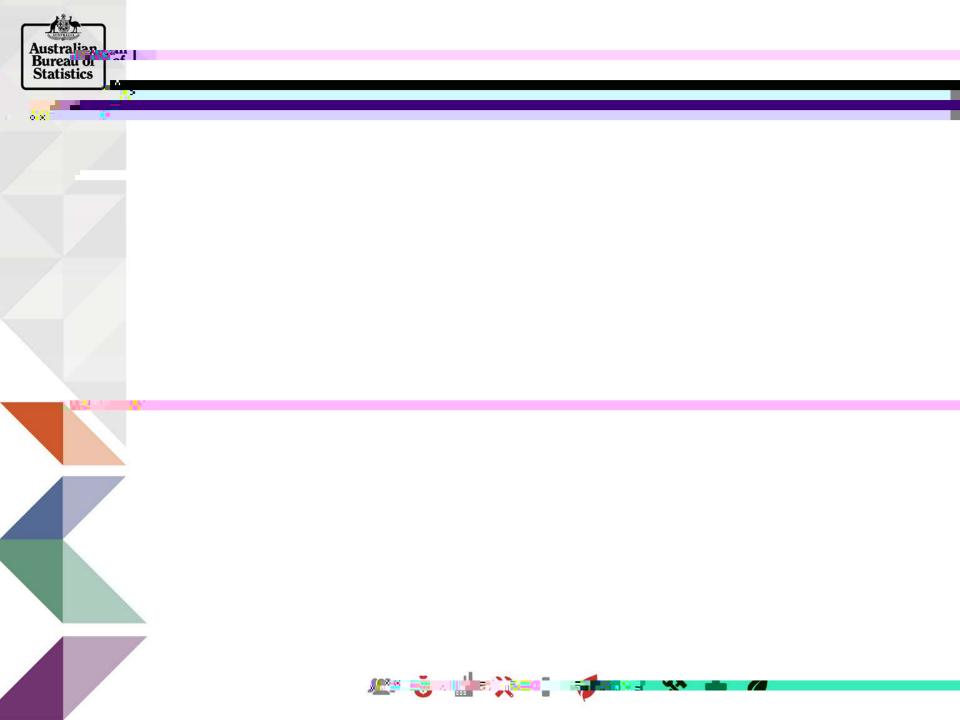
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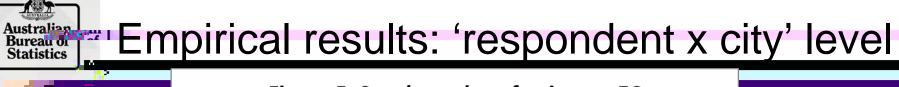
• Empirical results presented at two levels of aggregation:



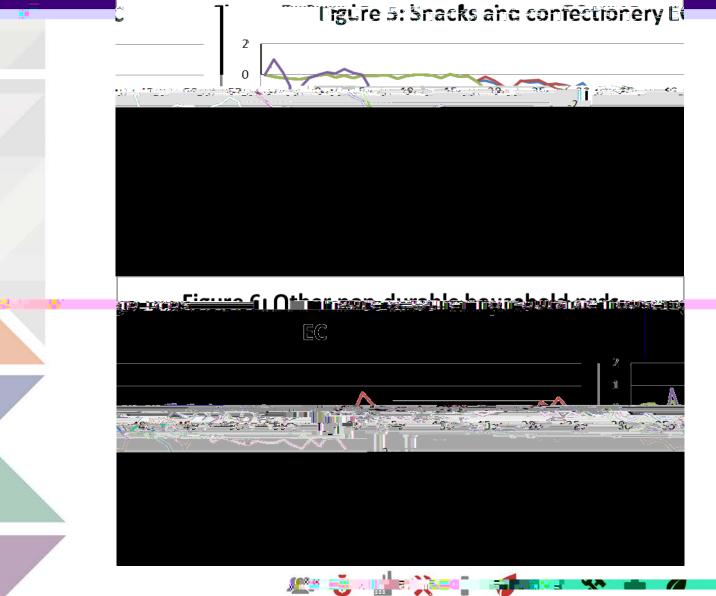
## Australian Bureau of Empirical results: 'respondent x city' level







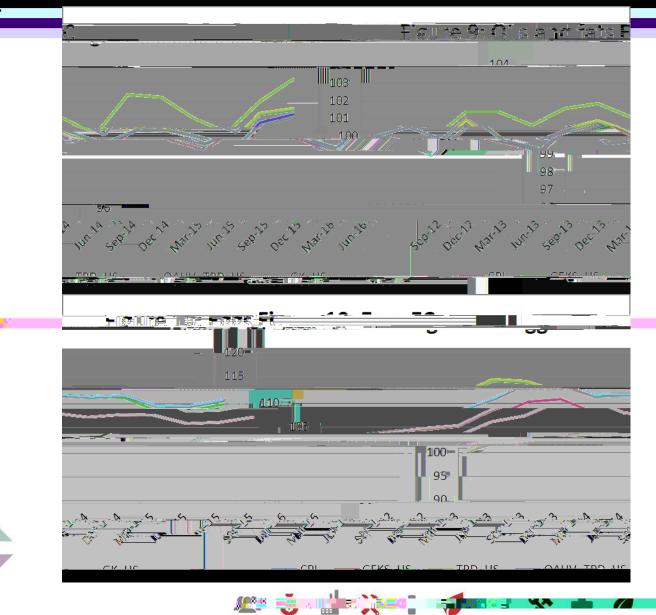
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### Australian Bureau of Empirical results: published level

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### Australian Bureau of Empirical results: published level





