



Introduction to SPPIs, Australia

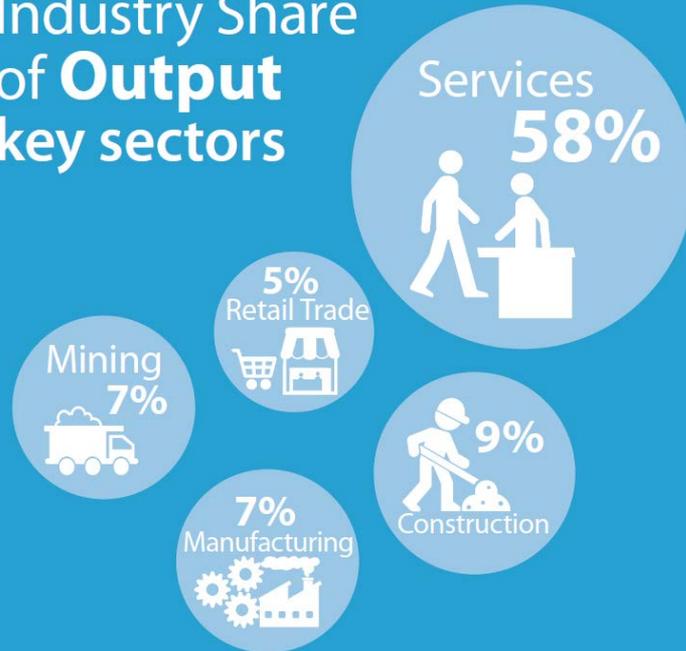
Robert Tuck

Australian Bureau of Statistics
Informing Australia's important decisions



Services in the Australian economy

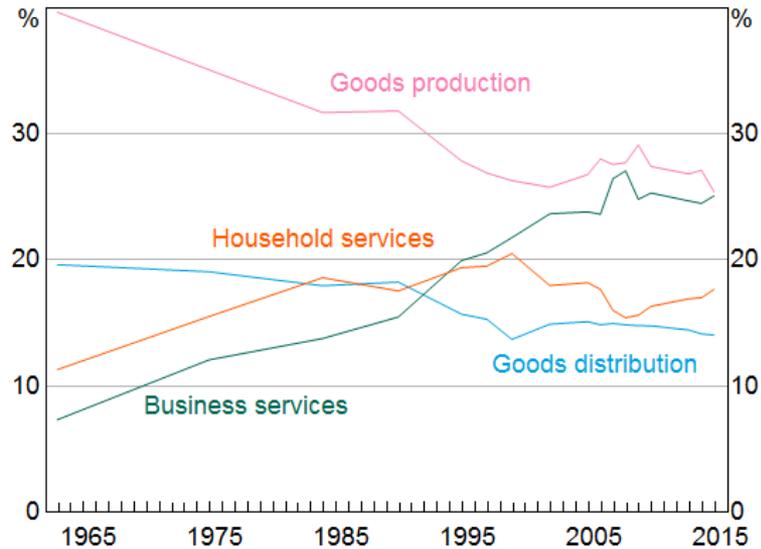
Industry Share of **Output** key sectors



Services in the Australian economy

Industry Gross Value Added*

Per cent of nominal GVA



* Excludes agriculture, forestry and fishing, public administration and safety, and ownership of dwellings

Sources: ABS input-output tables; RBA

Drivers for Services Rise

- ▶ Consumer demand
- ▶ Labour force participation
- ▶ Longevity
- ▶ Global economic competitiveness
- ▶ Economic structural reform
- ▶ Technological change
- ▶ Outsourcing

History of ABS SPPIs

- ▶ First published selected SPPIs, March qtr 2000
 - Transport, Postal and Warehousing
 - Rental, Hiring and Real Estate Services
 - Professional, Scientific and Technical Services
 - Administrative and Support Services

- ▶ Additional coverage in 2000s in those industries and:
 - Accommodation and Food Services
 - Information Media and Telecommunications
 - Public Administration and Safety
 - Other Services

▶ Purpose of ABS PPIs:

“...the principle purpose of the PPIs and ITPIs is to measure inflation by industry to support National Accounts and Balance of Payments.”

Source: *ABS Information Paper: Outcome of the Review of the Producer and International Trade Prices Indexes, 2012* (cat. no 6427.0.55.004)

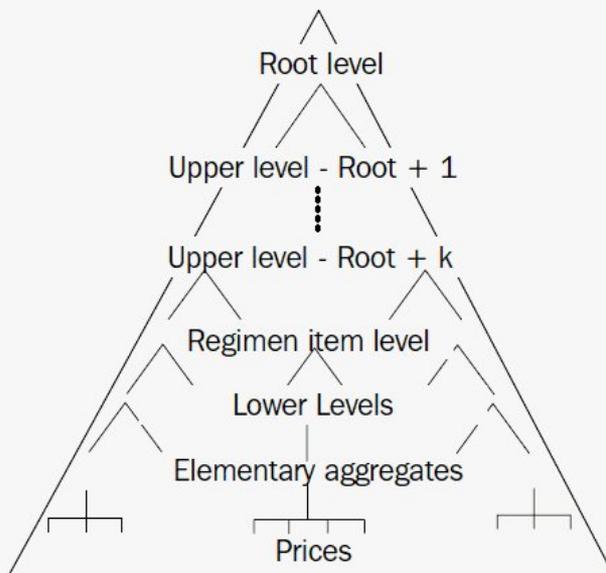
- ▶ Priorities for enhanced PPI coverage:
 - Construction – heavy and civil engineering
- ▶ Priorities for Service PPIs:
 - Retail Trade (margins)
 - Telecommunication services
 - Transport
 - International Trade in Services
 - Non-Market Prices



SPPI Coverage

Improvements in SPPI Coverage (% contribution to output)		
ANZSIC Division	2012	2019
E Construction	36.2	60.7
F Wholesale Trade	0.0	0.0
G Retail Trade	0.0	100.0
H Accommodation and Food Services	84.7	100.0
I Transport, Postal and Warehousing	35.4	39.6
J Information Media and Telecommunications	22.3	59.4
K Finance and Insurance Services	0.0	0.0
L Rental, Hiring and Real Estate	36.4	97.5
M Professional, Scientific and Technical Services	76.5	81.9
N Administrative and Support Services	67.1	71.1
O Public Administration and Safety	4.6	4.8
P Education and Training	0.0	25.5
Q Health Care and Social Assistance	0.0	30.6
R Arts and Recreation Services	0.0	0.0
S Other Services	2.9	15.2
X All Services Industries (F-S)	28.2	51.8

General structure



- ▶ Defining the service



- ▶ Measuring the service
 - Good/Services production boundary
 - Product diversity
 - Market conditions
 - Services are dynamic
 - Price discrimination
 - Secondary production
 - Non-market output

Pricing Methods

- ▶ Direct use of prices for repeated services
- ▶ Contract pricing
- ▶ Average unit value
- ▶ Percentage fee
- ▶ Component pricing
- ▶ Model pricing
- ▶ Time-based charges
- ▶ Margin pricing

SPPI Development Cycle

- ▶ Prioritise
- ▶ Assess Feasibility
- ▶ Research
- ▶ Consult
- ▶ Report, Recommend, Approve
- ▶ Implement
- ▶ Monitor and Review
- ▶ Evaluation



Questions?