

Consumers Price Index: September 2016 quarter – corrected

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Key facts

We republished *Consumers Price Index: September 2016 quarter* on 7 November to correct a manual processing error that affected the September 2016 quarter index numbers.

Quarterly change

In the September 2016 quarter compared with the June 2016 quarter:

- The consumers price index (CPI) rose 0.3 percent.
- Housing-related prices rose, with purchase of new housing, excluding land up 2.0 percent.
- Vegetable prices rose 16 percent (up 0.5 percent after seasonal adjustment).
- Transport prices fell 1.9 percent, influenced by lower vehicle relicensing fees from 1 July 2016.
- After seasonal adjustment, the CPI rose 0.1 percent.

Annual change

From the September 2015 quarter to the September 2016 quarter:

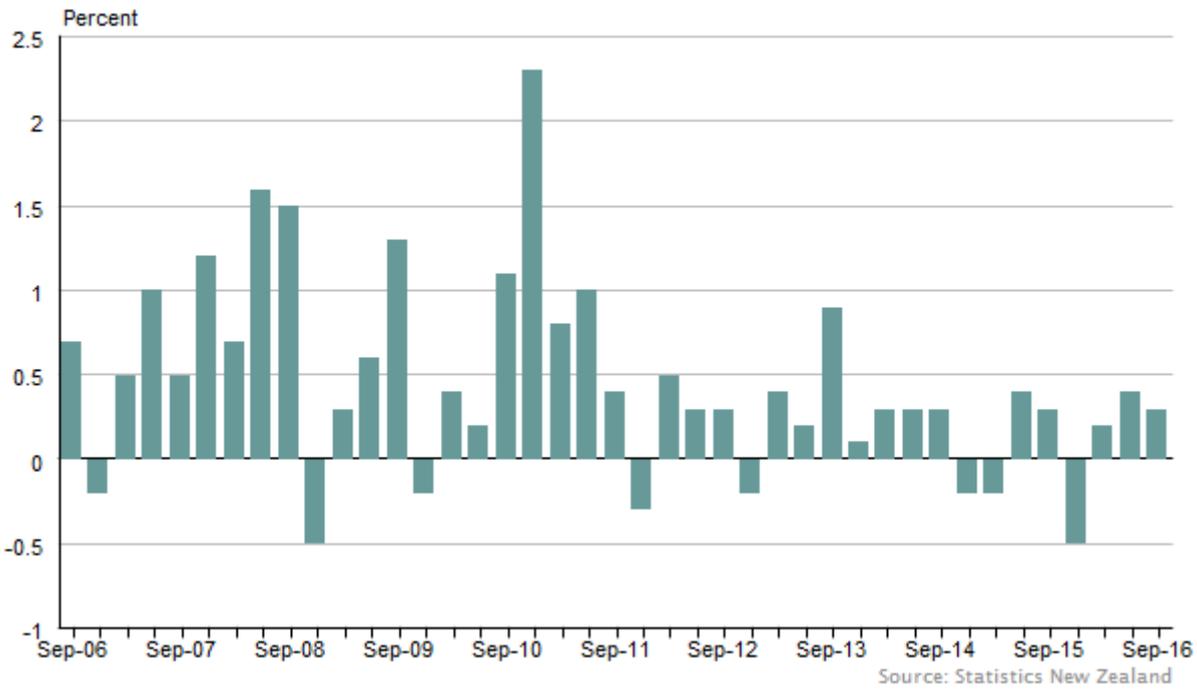
- The CPI inflation rate was 0.4 percent.
- Prices increased for purchase of new housing, excluding land (up 6.3 percent).
- Transport prices fell, with petrol down 11 percent.
- Tradable prices fell 2.1 percent, while prices for non-tradables rose 2.4 percent.

Average prices

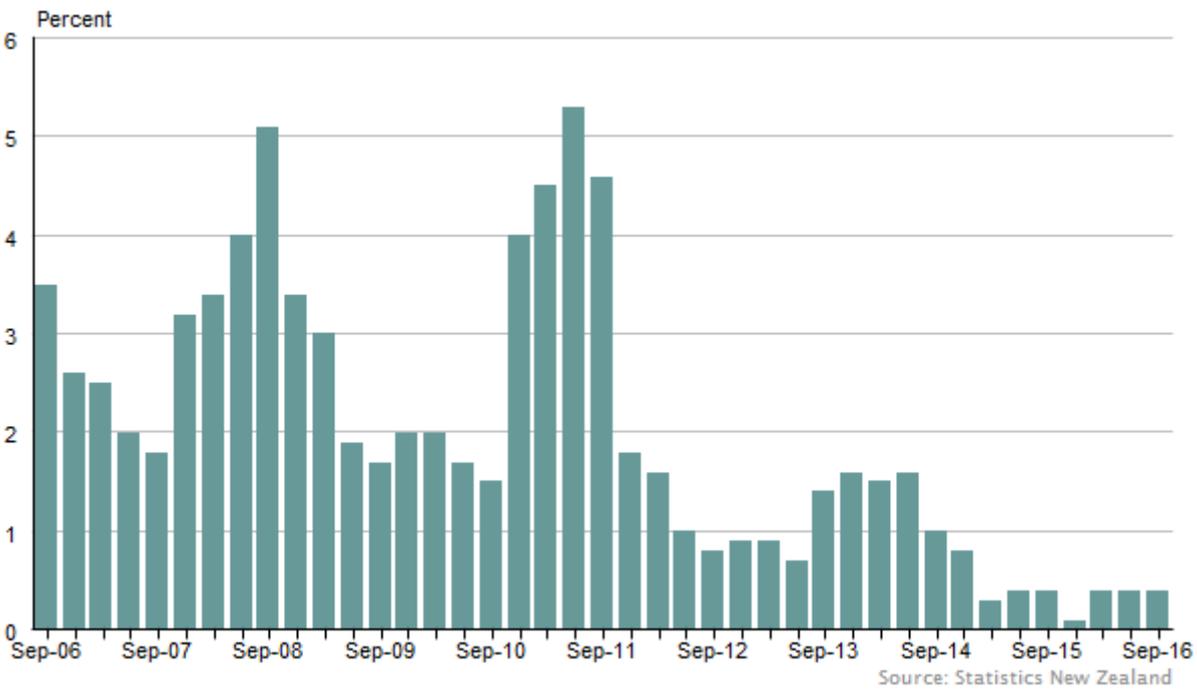
- The average price of 1 litre of 91 octane petrol was \$1.75 in the September 2016 quarter, down from \$1.78 in the June 2016 quarter.

The CPI measures the rate of price change of goods and services purchased by New Zealand households. Statistics NZ visits 2,800 shops around New Zealand to collect prices for the CPI and check product sizes and features.

Consumers price index
Quarterly change



Consumers price index
Annual change



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Commentary

- [September quarter inflation rate 0.3 percent](#)
- [Tradable prices show no quarterly change](#)
- [Annual inflation rate 0.4 percent](#)
- [Underlying price change shows higher overall increase](#)

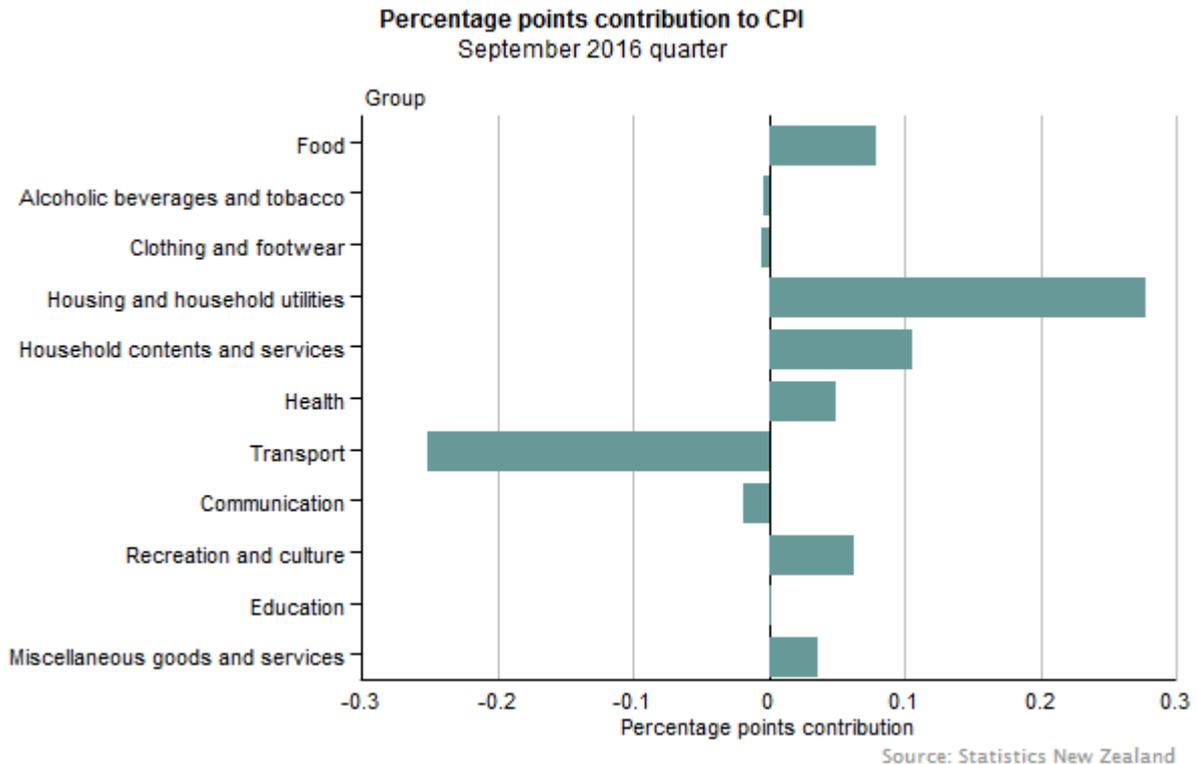
We republished *Consumers Price Index: September 2016 quarter* on 7 November 2016 to correct a manual processing error that affected the September 2016 quarter index numbers.

[See Corrections](#) for details.

September quarter inflation rate 0.3 percent

See the 'Downloads' box for a one-page detailed summary of this quarter's consumers price index (CPI), and the interactive [CPI visualisation](#) tool to explore the latest price changes.

The CPI rose 0.3 percent in the September 2016 quarter, following a 0.4 percent rise in the June 2016 quarter. Higher housing-related costs and vegetable prices were countered by lower prices for transport and fruit.

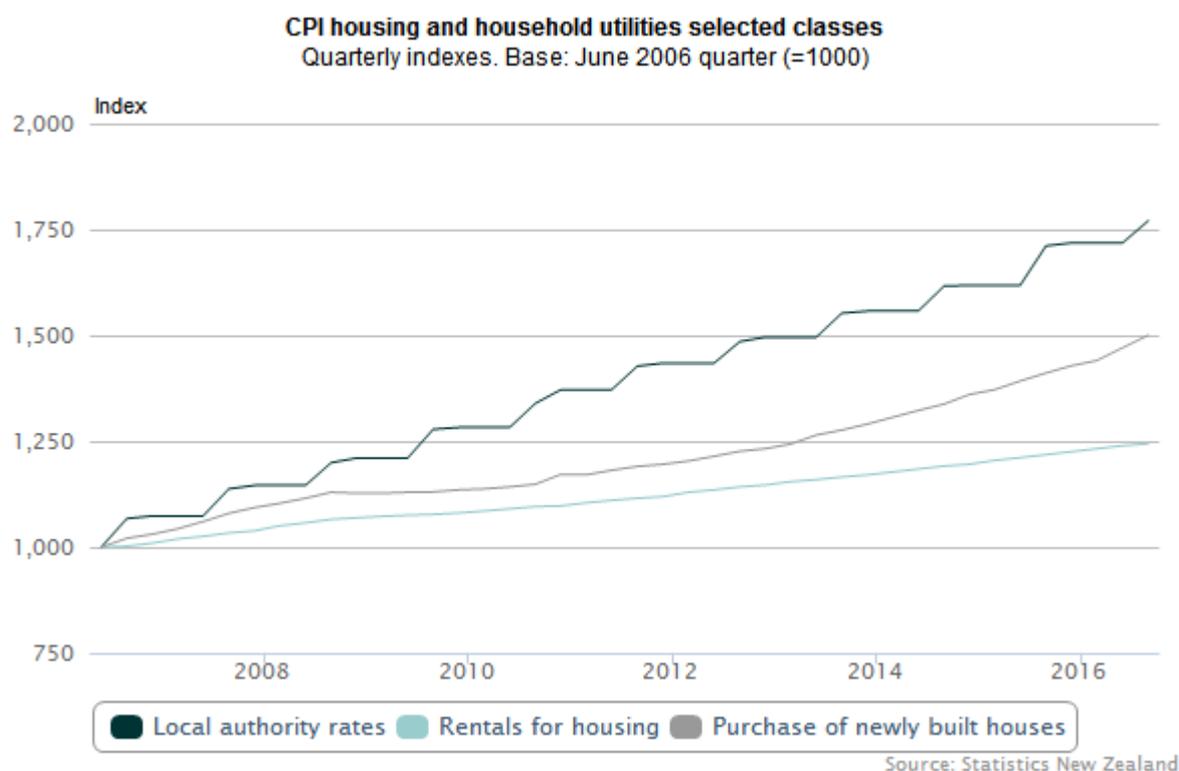


Housing-related costs rose in the September 2016 quarter.

- Purchase of new housing, excluding land rose 2.0 percent nationally, with rises of 2.2 percent in Auckland and 0.8 percent in Canterbury.

- Local authority rates rose 3.0 percent, compared with a 5.7 percent rise in the September 2015 quarter. Local authorities set their rates annually, and these are mainly shown in the September quarter's CPI. This is the lowest increase in rates recorded in a September quarter since 2002.
- Rentals for housing rose 0.4 percent, with Auckland up 0.7 percent and Canterbury down 0.3 percent.

The housing rents increase of 0.4 percent in the latest quarter is lower than the previous six quarters, which recorded increases of 0.6 to 0.8 percent. However, despite being lower overall, the September 2016 quarter CPI Rent Survey showed the highest proportion of rent increases since the March 2008 quarter.



Vegetable prices made the largest upward contribution (up 16 percent), influenced by seasonally higher prices for tomatoes and lettuce. After seasonal adjustment, vegetable prices rose 0.5 percent.

Prices for household contents and services rose 2.3 percent, influenced by less discounting on appliances and furniture and furnishings.

Domestic airfares rose 5.2 percent this quarter, following two consecutive falls earlier in the year. Package holiday prices also rose, influenced by price increases in Asian markets.

The rises for vegetables and housing-related costs were partly offset by lower transport group prices.

- Other private transport services (down 14 percent) made the most-significant downward contribution. Lower vehicle relicensing fees from 1 July 2016, a result of lower ACC levies for light vehicles, influenced the fall.

- International air transport fell 5.9 percent, following a 2.3 percent rise in June 2016. Increased discounting and competition on international routes both contributed.
- Petrol prices fell 1.7 percent in the September 2016 quarter, following a 5.3 percent rise in the June 2016 quarter. The average price of 1 litre of 91 octane petrol was \$1.75 in the September 2016 quarter, down from \$1.78 in the June 2016 quarter.



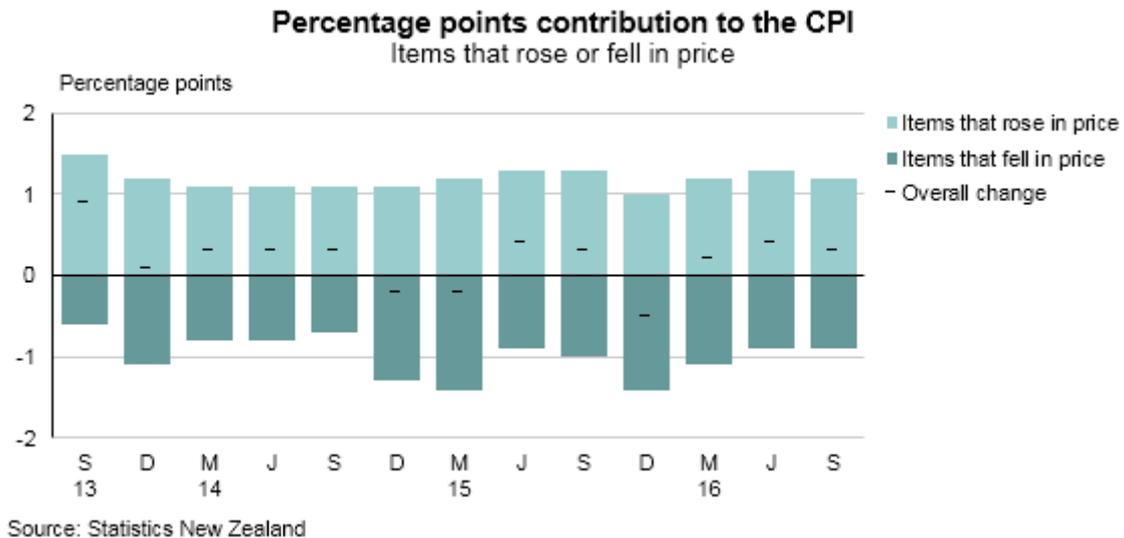
Fruit prices fell, (down 11 percent), influenced by lower avocado prices.

Tradable prices show no quarterly change

Tradables showed no change in the September 2016 quarter, with lower prices for fruit and transport costs. International air fares and petrol have fallen with lower international oil prices and a stronger New Zealand dollar. These falls were partly offset by higher prices for vegetables.

Non-tradables rose 0.5 percent in the latest quarter, with higher prices for housing-related costs and domestic air fares. The purchase of new housing, excluding land; local authority rates; and rentals for housing all increased. These were partly offset by lower prices for other private transport services.

The following graph shows the index points contribution to the CPI of items that rose or fell in price for each quarter (see also table 13 available from the 'Downloads' box).



Annual inflation rate 0.4 percent

In the year to the September 2016 quarter, the CPI increased 0.4 percent. This follows 0.4 percent increases in the year to both the June and March 2016 quarters.

Housing-related prices were the main upward contributor, influenced by:

- purchase of newly built houses, excluding land (up 6.3 percent); with Auckland up 7.9 percent
- rentals for housing (up 2.1 percent); with Auckland up 3.4 percent
- local authority rates (up 3.4 percent)
- property maintenance services (up 3.1 percent).

The 7.9 percent increase in purchase of new housing, excluding land for Auckland is the largest annual increase since a record 8.5 percent annual increase in September 2015. The 3.1 percent rise in property maintenance prices reflects consistent quarterly increases throughout the year for services such as plumbing and painting.

The increases to housing-related prices were partly offset by lower transport group prices influenced by:

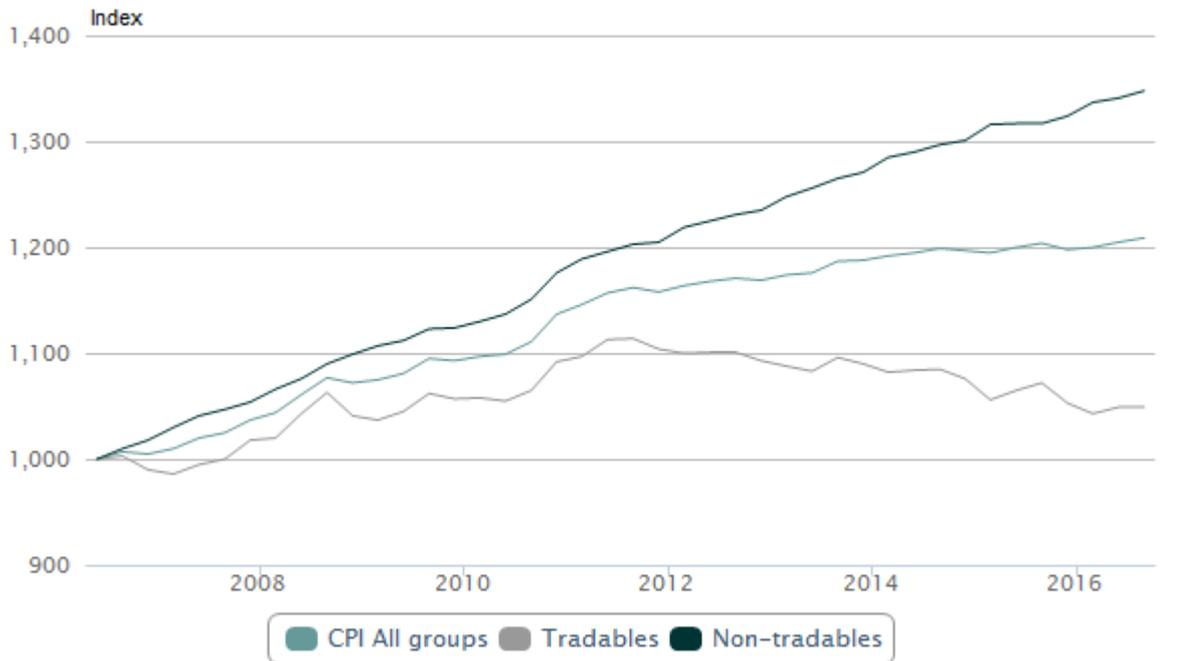
- petrol prices (down 11 percent)
- international air transport (down 11 percent)
- other private transport services (down 13 percent).

Package holiday prices also decreased, down 13 percent in the year to September 2016.

Tradeables decreased 2.1 percent in the year to September 2016. Lower prices for petrol, package holidays, international air fares, and purchase of new cars made the main downward contributions.

Non-tradables increased 2.4 percent in the year to the September 2016 quarter. The purchase of new housing, excluding land made the most significant upwards contribution, followed by cigarettes and tobacco, and housing rentals. The increases were partly offset by other private transport services.

CPI tradables, non-tradables, and all groups – quarterly indexes
Base: June 2006 quarter (=1000)

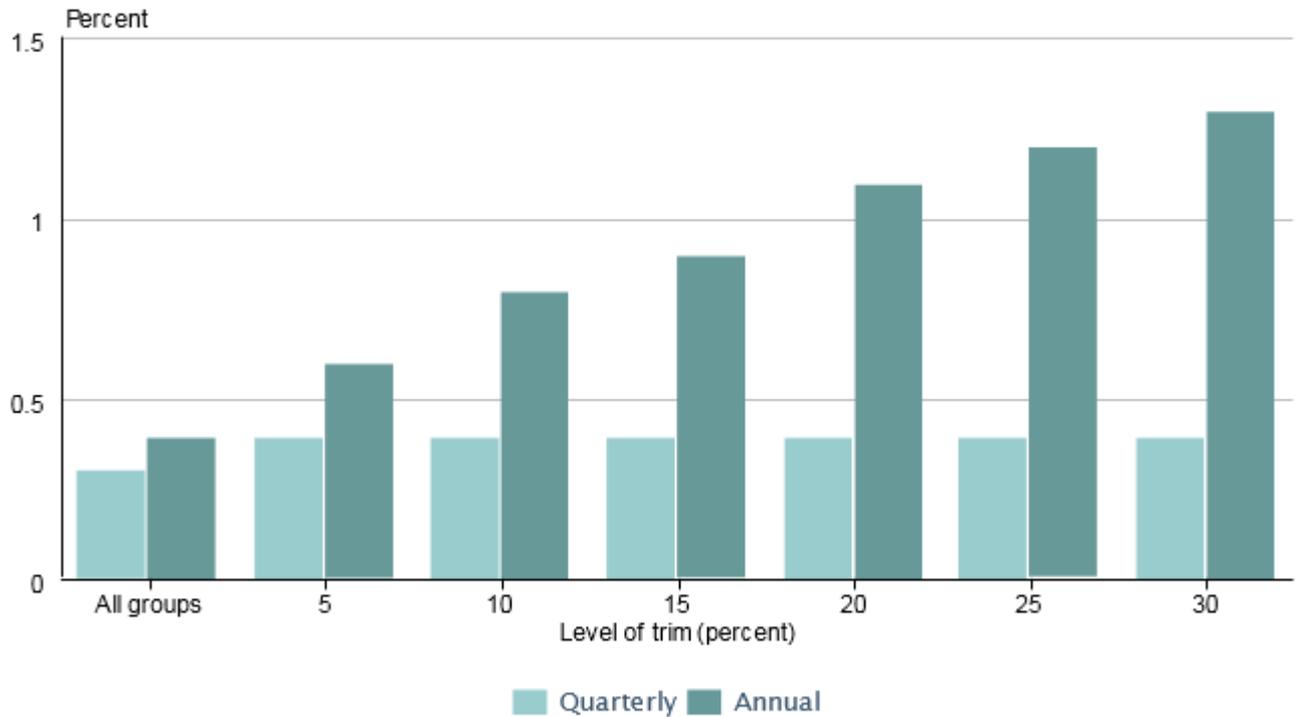


See [CPI tradables and non-tradables visualisation tool](#) for further information.

Underlying price change shows higher overall increase

The trimmed mean measures – which exclude extreme price rises and falls – had quarterly changes that showed a 0.4 percent increase in the September 2016 quarter across all trims. This indicates the ‘underlying’ price change (excluding extreme price rises and falls) was higher overall for both the quarter and the year.

CPI trimmed means and all groups
Percentage changes, September 2016 quarter



Source: Statistics New Zealand

Table 3.03 of the attached Excel tables shows selected groupings in the year to the September 2016 quarter.

- CPI excluding housing and household utilities group decreased 0.5 percent.
- CPI excluding transport group increased 1.4 percent.

The 'non-tradables less central and local government charges and cigarettes and tobacco subgroup' measure, which aims to reflect price change excluding direct government influence, rose 2.3 percent for the year. Central and local government charges rose 1.0 percent from the September 2015 quarter.

See [CPI visualisation](#) – an interactive tool to help you explore the changes in the prices and relative importance of the goods and services in the CPI basket.

For more detailed data on the CPI see the Excel tables in the 'Downloads' box.

Definitions

About the consumers price index

The consumers price index (CPI) measures the changing price of a fixed basket of goods and services purchased by New Zealand households. The selection and relative importance of the goods and services in the CPI basket represents the overall expenditure pattern of New Zealand households.

The aim of the CPI is to measure price changes of the same sample of products at each outlet over time. When there is a change in the size or quality of any of the goods or services in the basket, we make an adjustment to ensure that the price change shown in the CPI is not affected by the change in size or quality.

The CPI is used to help set monetary policy and for monitoring economic performance. The government uses the CPI to adjust New Zealand Superannuation and unemployment benefit payments once a year, to help ensure that these payments maintain their purchasing power. Employers and employees use the CPI in wage negotiations.

The CPI is published quarterly. The food group is the only CPI group for which we publish an index each month.

[Consumers price index review: 2014](#) has a list of the representative goods and services monitored in the CPI basket.

[CPI sources and methods articles](#) present the sources and methods used to compile various parts of the CPI basket of goods and services.

More definitions

Price index: measures the change in price between time periods for a given set of goods and services. It summarises a set of prices for a variety of goods and services collected from a number of outlets.

Index reference period: the benchmark to which prices in other periods are compared (eg if the index number in a later period is 1150, prices have increased by 15.0 percent since the index reference period). Prices for later periods can also be compared in similar fashion. The CPI has an index reference period of the June 2006 quarter (=1000).

Index points contributions: items mentioned in this release are often those that made a large contribution to the overall movement in the CPI. An item's contribution is a combination of its weight in the index (ie its relative importance, based on its share of household spending on goods and services covered by the CPI) and the magnitude of price movement. For example, for two items recording the same percentage rise in price, the item with the larger weight in the CPI will make a larger contribution to the overall movement. This contribution is also referred to as points (or index points) contribution.

Percentage points contribution: measures the contribution of each group, subgroup, and class to the overall quarterly and annual percentage change in the all groups CPI. For any particular level of the CPI classification, such as the group level, percentage points contributions add to the overall percentage change in the all groups CPI.

Percentage contribution: measures the relative contribution of each group, subgroup, and class to the overall quarterly and annual index points (or percentage) change in the all groups CPI. For any particular level of the CPI classification, such as the group level, percentage contributions add to 100 percent.

Tradable and non-tradable component series: the tradable component series contains goods and services that are imported or in competition with foreign goods, either in domestic or foreign markets. Movements in the tradables component (tradable inflation) demonstrate how international price movements and exchange rates are affecting consumer prices.

The non-tradable series contains goods and services that do not face foreign competition. It shows how domestic demand and supply conditions are affecting consumer prices.

Analytical measures of inflation: over the long term, the CPI captures the broad pattern of price change, but can be influenced by one-off events when analysing price change over shorter timeframes. To remove such influences, we calculate analytical measures of price change in an attempt to isolate the more persistent – or underlying – component of general price-level changes. Several analytical measures are constructed to give a good guide to underlying price-level change. These are a range of 'trimmed means' and a range of 'weighted percentiles' including a weighted median. We give trimmed means and weighted percentiles in table 11 and table 12 of this release.

Trimmed means: exclude the influence of the largest price increases and decreases in the CPI. We do this at the item level of about 700 goods and services in the CPI basket (eg 91 octane petrol or strawberries). The trimmed means progressively remove the influence of the largest increases and decreases.

Weighted percentiles: highlight the movement of lower-level indexes at points in the distribution of price changes for a particular time period.

Seasonally adjusted series: Seasonal adjustment aims to eliminate the impact of regular seasonal events (such as annual cycles in fruit and vegetable production, winter, or pre-Christmas shopping) on time series. Seasonal patterns can obscure the underlying behaviour of the series.

See the Excel tables in the 'Downloads' box for the seasonally adjusted series. You can also extract the seasonally adjusted series from [Infoshare](#).

Related links

Next release

Consumers Price Index: December 2016 quarter will be released on 19 January 2017.

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The release calendar lists all information releases by date of release.

Past releases

Consumers Price Index – information releases has links to past releases.

Related information

Food price index measures the price change of food goods and services purchased by New Zealand households.

CPI sources and methods articles present information about the basket of goods and services, and the sources and methods used to compile individual components of the CPI.

Electronic Card Transactions measure the number and value of electronic card transactions with New Zealand-based merchants.

Retail Trade Survey measures the sales of a range of household and personal goods and services.

Data quality

Period-specific information

- [Reference period](#)
- [Response rates](#)
- [Sample size](#)
- [Correction to health group applied in September 2016 quarter](#)
- [More information](#)

Reference period

We collected prices during July to September 2016. Statistics NZ staff visited retail outlets during 1–18 August. We collect prices for food and non-food groceries each month, usually between the 8th and 17th of the month. Petrol, fresh fruit, and fresh vegetable prices are collected weekly. We collected quarterly postal survey prices at 15 August.

Response rates

Postal

Target: 93 percent
Achieved: 95.1 percent

Field collection

Statistics NZ price collectors gather prices directly from retail outlets.

Sample size

We collected about 100,000 prices from about 2,800 retail outlets and 2,300 other businesses and landlords.

Vehicle relicensing fees

On 1 July 2015 vehicle relicensing fees changed, as a result of changes to the way ACC calculates levies for light vehicles. Levies are now based on how well a vehicle protects its passengers and others on the road if it's involved in a crash. Vehicle relicensing fees represented just under three-fifths of the weight of the 'other private transport services' class at the June 2014 quarter.

To incorporate the lower vehicle relicensing fees into the CPI, we have used information on the number of private passenger cars/vans that registered to each of the new ACC levy bands over the September 2015 quarter. The New Zealand Transport Agency provided this information. The resulting calculation takes into account the relative importance of each of the levy tiers for petrol and non-petrol vehicles.

Correction to health group applied in September 2016 quarter

When compiling September 2016 quarter data for pharmaceutical products, within the health group, we found a processing error in the June 2016 quarter data. We have applied a correction

in the September 2016 quarter by returning the affected series to the correct index level. We have not revised the June 2016 quarter, as the error had minimal impact on the health group.

The affected series are :

- pharmaceutical products
- medical products, appliances, and equipment
- health.

The headline 'All groups CPI' is unaffected by the error or correction. The index numbers are unchanged and the movement is unchanged at two decimal places.

More information

Consumers Price Index – DataInfo+

General methodology and related metadata about the consumers price index.

Principles and protocols for producers of Tier 1 statistics

Statistics in this release have been produced in accordance with the Official Statistics System principles and protocols for producers of Tier 1 statistics for quality. They conform to the Statistics NZ Methodological Standard for Reporting of Data Quality.

Corrections

We republished *Consumers Price Index: September 2016 quarter* on 7 November 2016 to correct a manual processing error that affected the September 2016 quarter index numbers.

The corrected 'CPI all groups' increase for the September 2016 quarter is 0.3 percent, compared with the previously published increase of 0.2 percent. The corrected annual change for the year to the September 2016 quarter is an increase of 0.4 percent, compared with the previously published increase of 0.2 percent.

Quarterly movements for the following series have been corrected:

Group, subgroup, or selected grouping	Series ref: CPIQ	Index			Percentage change			
		Originally published	Corrected	Points difference	From previous quarter – originally published	From previous quarter – corrected	From same quarter of previous year – originally published	From same quarter of previous year – corrected
CPI all groups	SE9A	1207	1209	2	0.2	0.3	0.2	0.4
Non-tradables	SE9NS6500	1345	1348	3	0.3	0.5	2.1	2.4
Transport group	SE907	1026	1038	12	-3.0	-1.9	-6.7	-5.6
Private transport supplies and services	SE9072	1054	1077	23	-4.7	-2.6	-10.1	-8.1
Other private transport services	SE907205	728	879	151	-28.5	-13.7	-27.6	-12.5

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Tables

See the Excel tables in the 'Downloads' box on this page. If you have problems viewing the files, see [opening files and PDFs](#).

We have updated the consumers price index table formatting from the June 2012 quarter.

1. Consumers price index, tradables, non-tradables, and all groups – index numbers and percentage changes
- 2.01 Consumers price index, groups and subgroups – index numbers
- 2.02 Consumers price index, groups and subgroups, percentage change from previous quarter
- 2.03 Consumers price index, groups and subgroups, percentage change from same quarter of previous year
- 3.01 Consumers price index, selected groupings – index numbers
- 3.02 Consumers price index, selected groupings, percentage change from previous quarter
- 3.03 Consumers price index, selected groupings, percentage change from same quarter of previous year
4. International comparisons of consumer price indexes, excluding housing and household utilities group and credit services class – index numbers and percentage change
5. Weighted average retail prices of selected items
6. Consumers price index, expenditure weights, by group
7. Consumers price index, regional expenditure weights
- 8.01 Contribution to all groups and percentage change from previous quarter, by group, subgroup, or class
- 8.02 Contribution to all groups and percentage change from same quarter of previous year, by group, subgroup, or class
9. Consumers price index, expenditure weights, by group, subgroup, or class
10. Consumers price index, COICOP divisions – index numbers and percentage changes
11. Consumers price index, trimmed means and all groups – percentage changes
12. Consumers price index, weighted percentiles and all groups – percentage changes
13. Distribution of national item-level index movements from previous quarter
14. Consumers price index, seasonally adjusted tradables, non-tradables, and all groups – index numbers and percentage changes
- 15.01 Consumers price index, seasonally adjusted groups and subgroups – index numbers
- 15.02 Consumers price index, seasonally adjusted groups and subgroups, percentage change from previous quarter

Supplementary tables

These tables provide longer time-series information than the tables above. Given this, they are not suitable for printing. See the 'Downloads' box. Supplementary tables 1, 2.01, 2.02, 2.03, 3.01, 3.02, 3.03, 6, 7.01, and 7.02 are available in Infoshare. Please click the link below to find the extended time series.

- 4.01 Consumers price index, purchase of housing class, selected regions – index numbers and percentage changes
- 4.02 Consumers price index, actual rentals for housing subgroup, selected regions – index numbers and percentage changes
- 5.01 Consumers price index, percentage of prices that were discounted in quarter
- 5.02 Consumers price index, average quarterly percentage price change of items that were discounted in quarter

8. Consumers price index, all groups and selected groups – index numbers and percentage changes, by region

Access more data on Infoshare

Use [Infoshare](#), a free online tool to access time-series data specific to your needs.

To access the CPI time series, select the following from the homepage:

Subject category: **Economic indicators**

Group: **Consumers Price Index**

The CPI series provide additional information to that in this release, including:

- index series for the CPI and its groups, subgroups, classes, and selected sections
- indexes compiled under the international classification of Classification of Individual Consumption according to Purpose (COICOP)
- the CPI, and selected groups, for the five broad regions
- non-standard aggregations of indexes (for example, alcoholic beverages consumed off licensed premises)
- analytical measures of price change
- historical seasonally unadjusted index series
- average prices for a selection of items in the CPI basket.

The time series can be downloaded in Excel or comma delimited format. Percentage movements can be calculated using the following formula:

$$\left(\frac{\text{Index number for later period} - \text{Index number for earlier period}}{\text{Index number for earlier period}} \right) \times 100$$

More information about [Infoshare](#) can be found on our website.

Next release

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