

Enhancing the Australian CPI

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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 16th 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





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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



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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





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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





Australian Empirical results: 'respondent x city' level





Australian Bureau of Empirical results: published level

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Australian Bureau of Empirical results: published level





