

Consumers Price Index: September 2017 quarter

Embargoed until 10:45am – 17 October 2017

Key facts

Quarterly change

In the September 2017 quarter compared with the June 2017 quarter, the consumers price index (CPI) rose 0.5 percent (up 0.3 percent with seasonal adjustment).

- Food prices rose 1.1 percent, influenced by higher prices for vegetables (up 6.2 percent).
- Housing and household utilities rose 1.0 percent, influenced by local authority rates (up 3.5 percent), rentals for housing (up 0.6 percent), and purchase of new housing (up 1.1 percent).
- Transport prices fell 1.1 percent, with cheaper petrol prices (down 1.7 percent), and international airfares (down 5.5 percent).

Annual change

From the September 2016 quarter to the September 2017 quarter, the CPI inflation rate was 1.9 percent.

- Housing and household utilities increased 3.0 percent, with purchase of new housing up 5.4 percent, and rentals for housing up 2.2 percent.
- Food prices increased 2.8 percent, with vegetables up 9.0 percent.
- Communication prices decreased 5.3 percent, with telecommunications services down 4.5 percent and equipment down 22 percent.

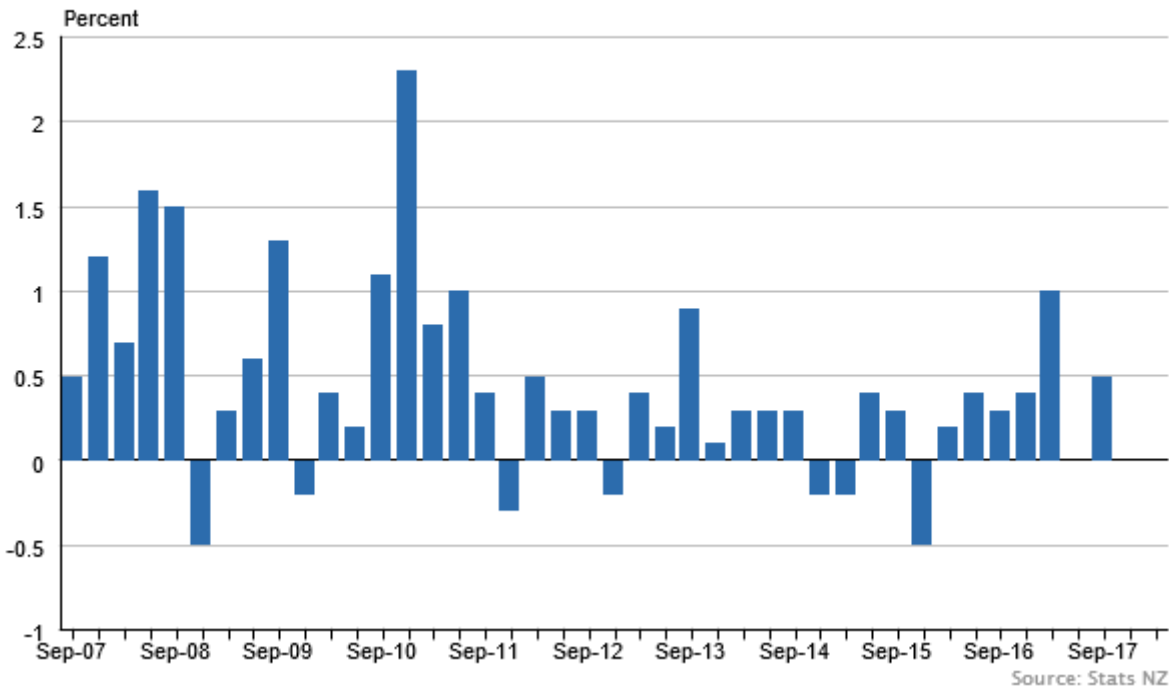
Average prices

- The average price of 1 litre of 91 octane petrol was \$1.83 in the September 2017 quarter, down from \$1.86 in the June 2017 quarter, and up from \$1.75 in the September 2016 quarter.

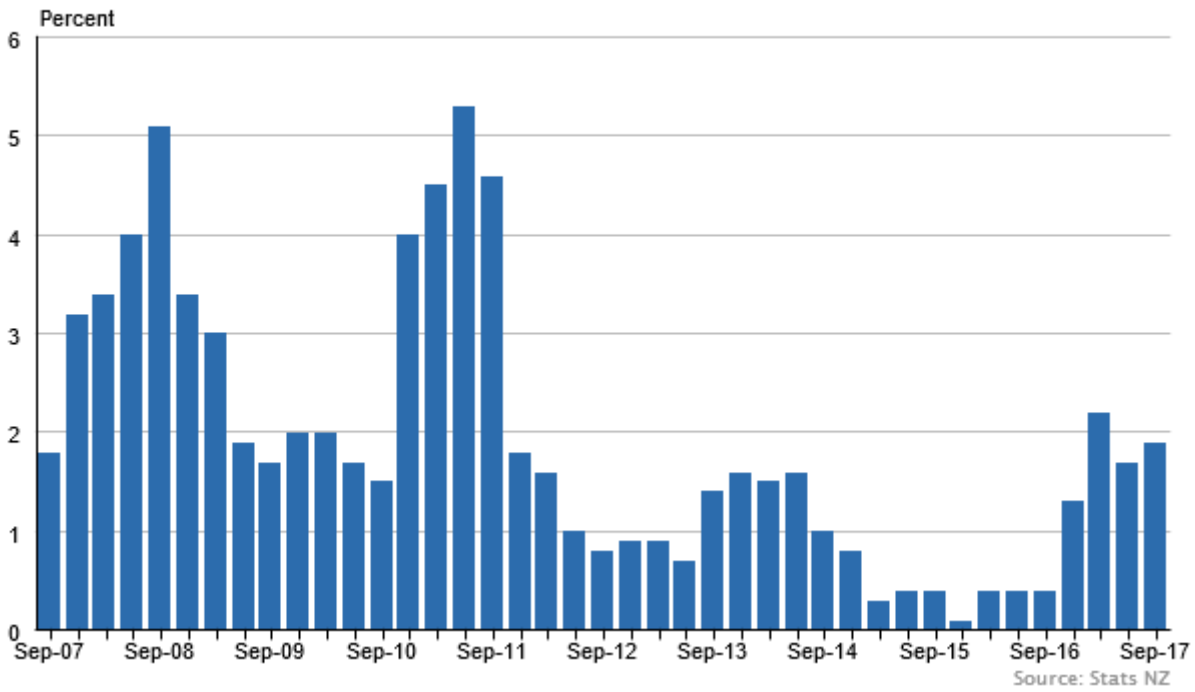
[Consumers price index – animation and infographic](#) has more about how the CPI works.

The CPI measures the rate of price change of goods and services purchased by New Zealand households. Stats 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**



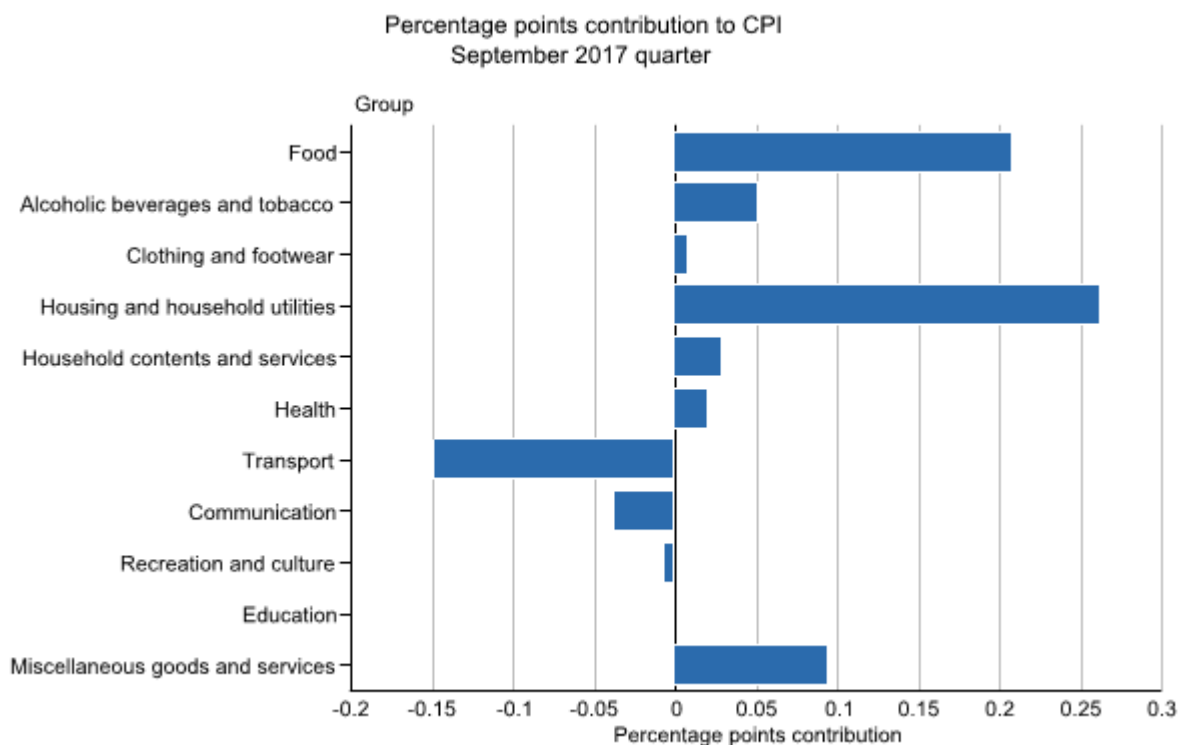
Liz MacPherson, Government Statistician
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17 October 2017

Commentary

- Food and housing prices continue to rise
- Tradable prices grow slightly in September quarter
- Annual inflation rate 1.9 percent
- Underlying price change matches overall increase
- Updated CPI for the December 2017 quarter

Food and housing prices continue to rise

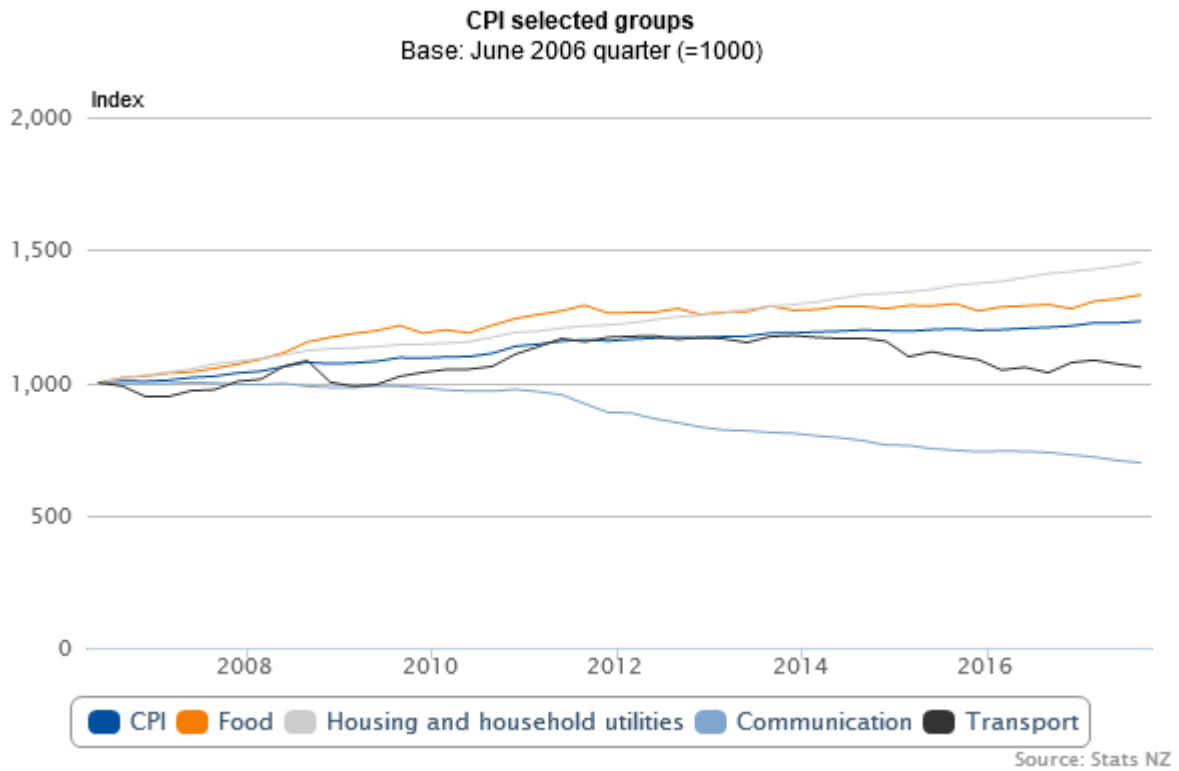
The CPI rose 0.5 percent in the September 2017 quarter, following a flat June 2017 quarter. Continuing price rises for housing and household utilities, and food were partly offset by falls in transport, and communication.



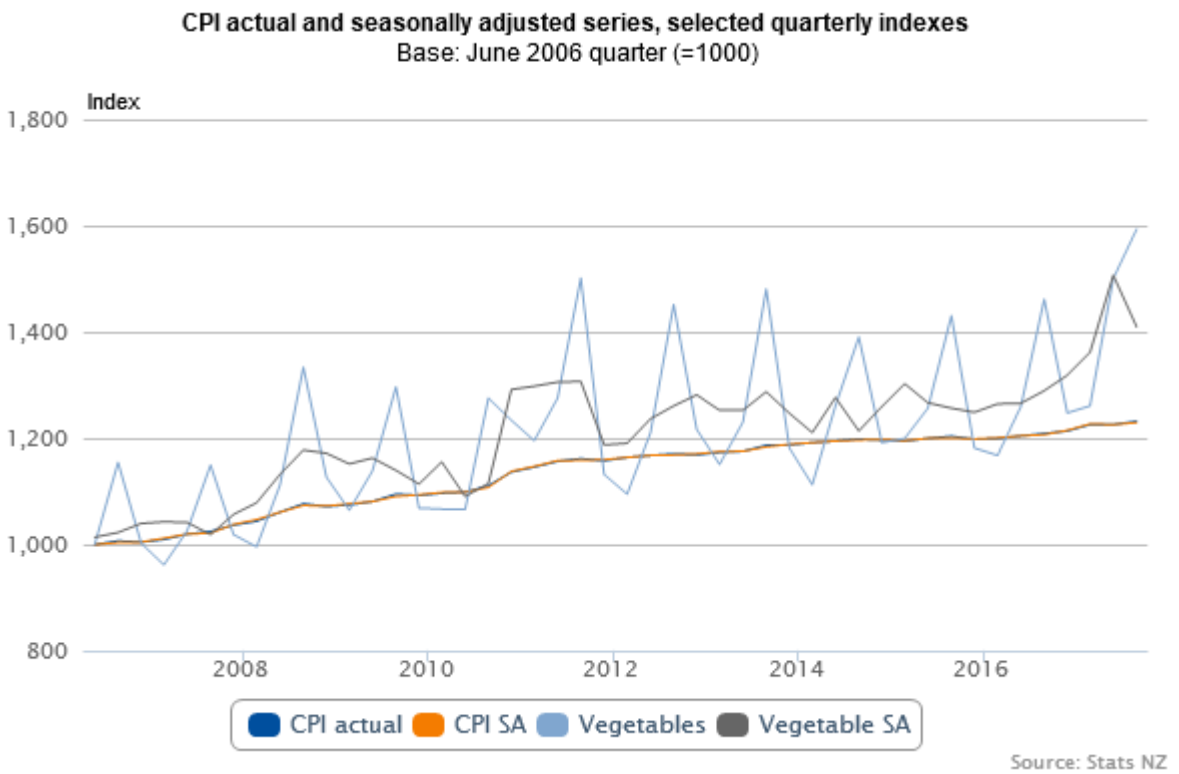
Housing and household utilities prices rose 1.0 percent in the September 2017 quarter.

- Local authority rates rose 3.5 percent, compared with a 3.0 percent rise in the September 2016 quarter. Local authorities set their rates annually, and these mainly show in the September quarter's CPI.
- Rentals for housing rose 0.6 percent – up 1.0 percent in Wellington, up 0.5 percent in Auckland, and down 0.2 percent in Canterbury.
- Purchase of new housing (excluding land) rose 1.1 percent – up 1.4 percent in Wellington, 1.0 percent in Auckland, and 0.4 percent in Canterbury.

Other housing-related costs also contributed this quarter, with property maintenance services up 1.2 percent, dwelling insurance up 6.1 percent, and real estate services up 1.7 percent.



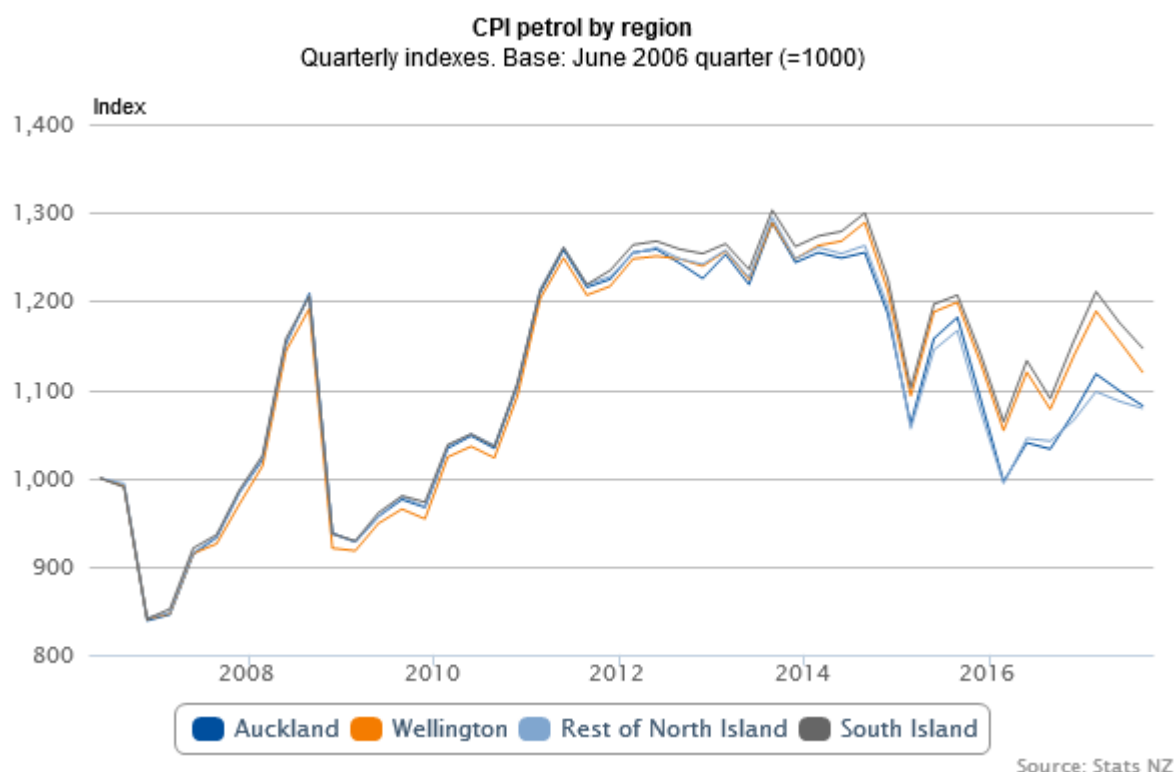
Food prices were up 1.1 percent in the September 2017 quarter. Most of the quarterly rise was attributable to seasonally higher tomato prices (up 34 percent).



Transport prices fell 1.1 percent in the latest quarter, making the largest downward contribution.

- Petrol prices fell 1.7 percent – after falls in June and July, prices steadily rose over August and September, but remained lower than in the June quarter.
- International air fares fell 5.5 percent – with flights to Europe returning to a similar level as before the Lions rugby tour.
- Vehicle relicensing fees fell 8.0 percent.

Petrol prices continued to show regional divergence, with quarterly falls of 1.5 percent in Auckland, 2.5 percent in the South Island, and 3.0 percent Wellington. These followed similar falls of 1.7 percent, 2.9 percent, and 2.9 percent, respectively, in the June quarter.



Communication prices fell 1.3 percent, reflecting better-value telecommunication services (down 1.5 percent).

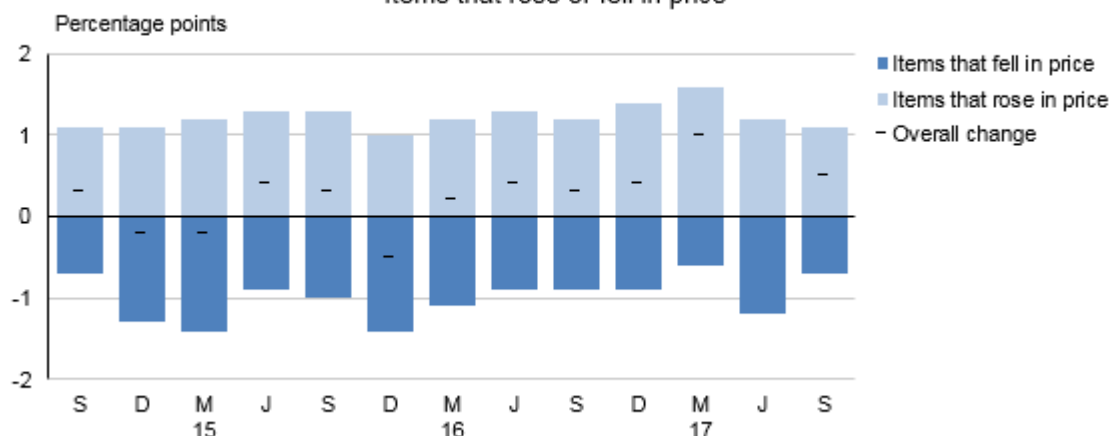
Tradable prices grow slightly in September quarter

Tradables rose 0.2 percent in the September 2017 quarter, following a 0.2 percent fall in the June 2017 quarter. Higher prices for vegetables were mostly offset by lower petrol, international airfare, and fruit prices.

Non-tradables rose 0.7 percent in the latest quarter, with higher prices for local authority rates, rents, and new housing. Better-value telecommunication services and cheaper vehicle-relicensing fees partly offset the increase.

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).

Percentage points contribution to the CPI Items that rose or fell in price



Source: Stats NZ

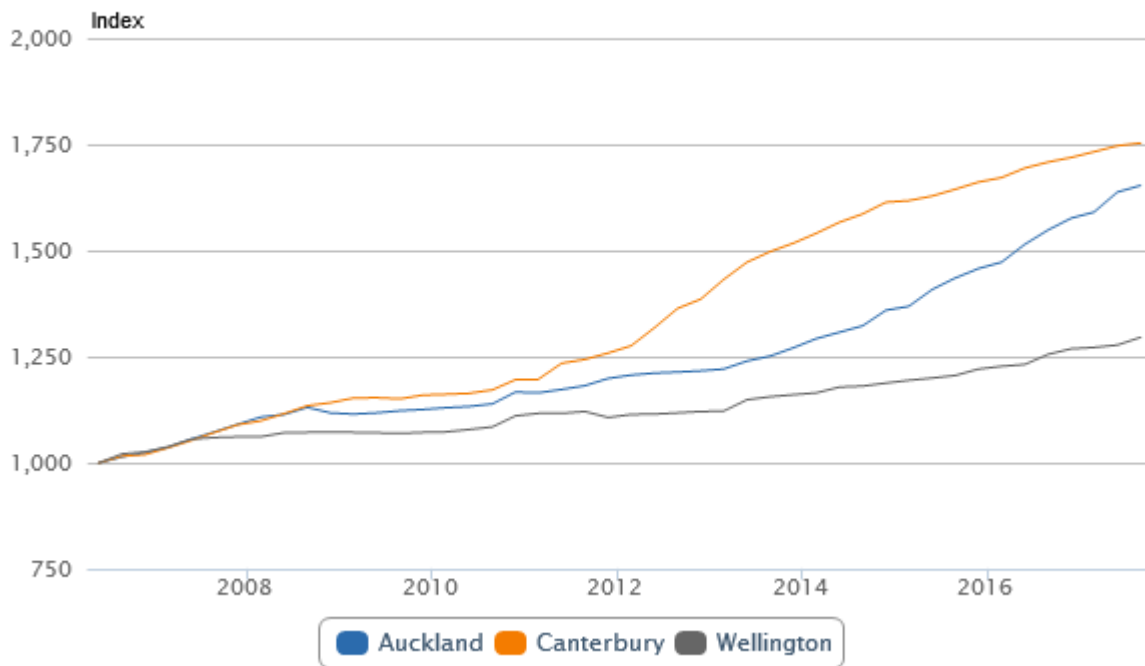
Annual inflation rate 1.9 percent

In the year to the September 2017 quarter, the CPI increased 1.9 percent, following a 1.7 percent increase in the year to June 2017.

Housing and household utilities were the main upward contributor (up 3.0 percent), influenced by:

- newly built houses, excluding land (up 5.4 percent), with increases of 6.8 percent in Auckland, 3.2 percent in Wellington, and 2.6 percent in Canterbury.
- actual rentals for housing (up 2.2 percent), with increases of 2.7 percent in Auckland and 3.7 percent in Wellington, partly offset by a 1.9 percent decrease in Canterbury.
- local authority rates (up 3.7 percent). This value is slightly higher than the quarterly movement because a small proportion of rates came through in the December 2016 quarter. This year, 98 percent of rates are accounted for in the September quarter.

CPI purchase of new housing by region
 Quarterly indexes. Base: June 2006 quarter (=1000)



Source: Stats NZ

Other housing-related prices also increased for the year, with property maintenance services up 3.4 percent, real estate services up 8.1 percent, and dwelling insurance up 12 percent.

Food prices increased 2.8 percent, with vegetables up 9.0 percent and fruit up 2.2 percent.

Alcoholic beverages and tobacco prices increased 4.5 percent, primarily reflecting the annual increase in tobacco tax in the March quarter.

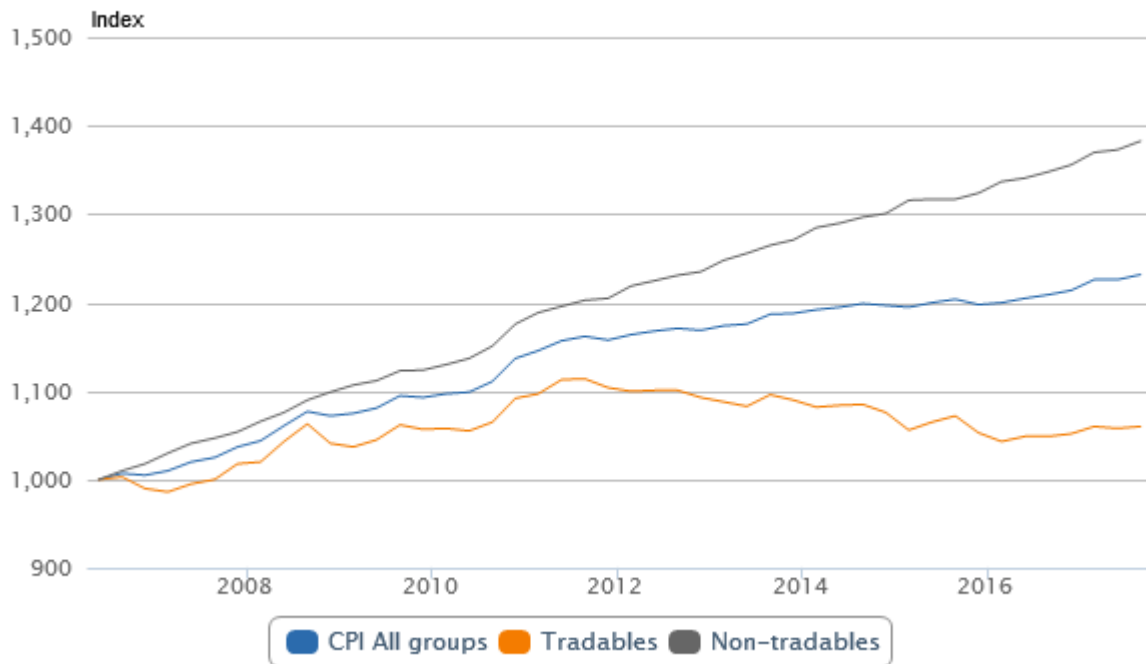
Transport prices increased 2.0 percent, influenced by higher prices for petrol (up 4.5 percent).

Communication group prices decreased 5.3 percent, with better-value telecommunications services (down 4.5 percent), and equipment (down 22 percent). Price decreases for these items mostly represent continual improvements in quality and capability.

Tradables increased 1.0 percent in the year to September 2017. Higher prices for petrol; vegetables; and milk, cheese, and eggs, made the main upwards contributions. These were partly offset by decreases for audio-visual equipment, package holidays, and computing equipment.

Non-tradables increased 2.6 percent in the year to September 2017. Prices for cigarettes and tobacco made the most-significant upwards contribution, followed by purchase of new housing (excluding land), rentals for housing, and local authority rates. These increases were partly offset by decreases for telecommunications services and vehicle-relicensing fees.

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



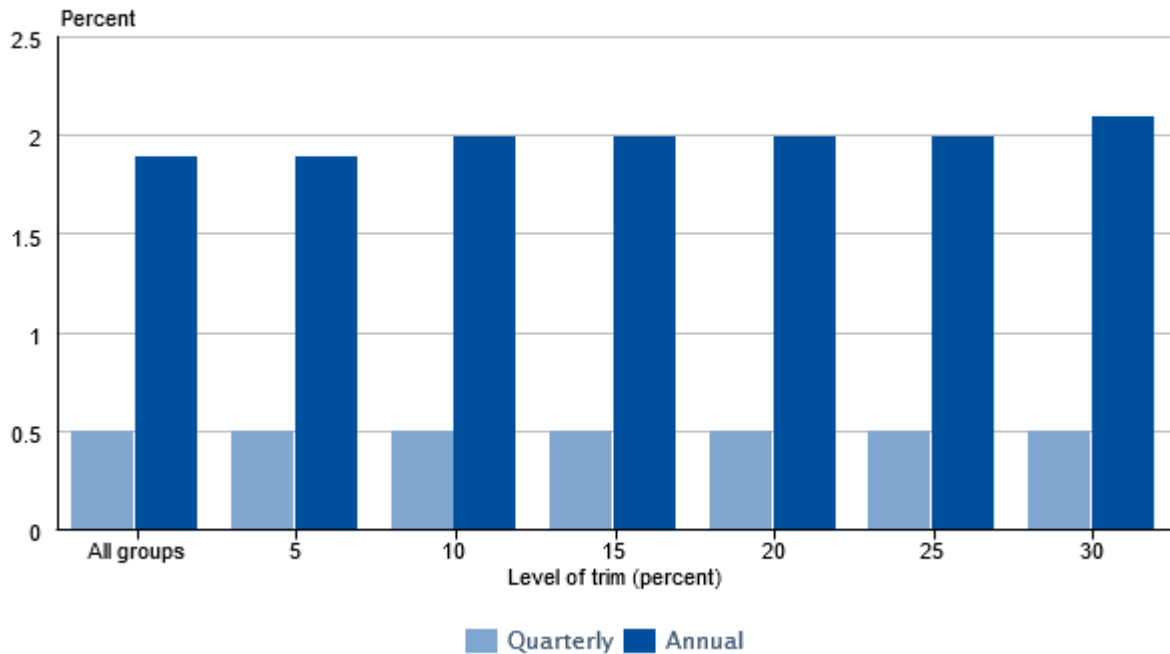
Source: Stats NZ

Underlying price change matches overall increase

The trimmed-mean measures – which exclude extreme price rises and falls – all showed a quarterly change of 0.5 percent. This indicates the ‘underlying’ price change (excluding extreme price rises and falls) was consistent overall for the quarter.

Underlying price changes ranged from 1.9 percent to 2.1 percent on an annual basis, indicating higher underlying price change.

CPI trimmed means and all groups
Percentage changes, September 2017 quarter



Source: Stats NZ

Table 3.03 of the attached Excel tables shows selected groupings in the year to the September 2017 quarter.

- CPI excluding housing and household utilities group increased 1.6 percent.
- CPI excluding alcoholic beverages and tobacco group increased 1.7 percent.
- CPI excluding transport group increased 1.9 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 0.8 percent for the quarter, and 2.2 percent for the September 2017 year. Central and local government charges rose 2.1 percent in the year to the September 2017 quarter.

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

Updated CPI for the December 2017 quarter

The release of the December 2017 quarter CPI will be a week later than usual, as we are implementing a review of the index. CPI reviews happen every three years and help ensure the index remains relevant.

Consumers Price Index: December 2017 quarter will be published on 25 January 2018. The reviewed index will incorporate:

- an updated basket of goods and services
- an updated expenditure weighting pattern.

We will release a paper on the CPI review on 12 January 2018. The paper will include:

- the new expenditure weights, down to the third (class) level of the expenditure classification
- details of changes made to the basket of goods and services.

The paper will be available on our website and will be sent to all CPI information release subscribers.

The reweighted food price index (FPI) for October will also be released later than usual, on 20 November 2017. Subsequent CPI and FPI releases will be published at the usual times.

Please see our online release calendar for information on release dates.

For further information about the CPI review, please contact:

Bryan Downes or Fiona Smillie

0508 525 525 toll-free

Email cpireview@stats.govt.nz with 'CPI review 2017' in the subject line.

Related links

Next release

Consumers Price Index: December 2017 quarter will be released on **25 January 2018**.

[Subscribe to our information releases](#), including this one, by completing the online subscription form.

[The release calendar](#) lists all information releases by date of release.

Past releases

[Consumers Price Index – information releases](#) has links to past releases.

Data quality

Period-specific information

Reference period

We collected prices in July to September 2017. Stats 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 2017.

Response rates

Postal
Target: 93 percent
Achieved: 95.07 percent

Field collection

Stats 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.

General information

Consumers price index – DataInfo+

General methodology used to produce the CPI and related metadata.

Consumers price index concepts – DataInfo+

Definitions of terms used in this release.

Official Statistics System 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.

Related information

Food price index

Measures the price change of food goods and services purchased by New Zealand households.

CPI sources and methods articles

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

Electronic Card Transactions

Measures 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.

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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](#).

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
- 16.01 Consumers price index, purchase of housing class, selected regions – index numbers and percentage changes
- 16.02 Consumers price index, actual rentals for housing subgroup, selected regions – index numbers and percentage changes
- 17.01 Consumers price index, percentage of prices that were discounted in quarter
- 17.02 Consumers price index, average quarterly percentage price change of items that were discounted in quarter
18. Consumers price index, all groups and selected groups – index numbers and percentage changes, by region

Note: Supplementary tables 4.01, 4.02, 5.01, 5.02, 8 are now tables 16.01, 16.02, 17.01, 17.02, and 18, respectively.

Former 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.

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:

((Index number for later period minus index number for earlier period) divided by index number for earlier period) multiplied by 100.

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

Next release

Consumers Price Index: December 2017 quarter will be released on 25 January 2018.