

## Consumers Price Index: June 2017 quarter

Embargoed until 10:45am – 18 July 2017

### Key facts

#### Quarterly change

In the June 2017 quarter compared with the March 2017 quarter:

- The consumers price index (CPI) was flat overall at 0.0 percent (down 0.1 percent with seasonal adjustment).
- Food prices rose 0.7 percent, influenced by higher prices for vegetables (up 19 percent).
- Housing and household utilities prices rose 0.8 percent, influenced by purchase of new housing (up 1.8 percent).
- Transport prices fell 1.3 percent, with cheaper domestic airfares (down 15 percent).

#### Annual change

From the June 2016 quarter to the June 2017 quarter:

- The CPI inflation rate was 1.7 percent.
- Housing and household utilities increased 3.1 percent, with purchase of new housing up 6.4 percent.
- Communication prices decreased 4.6 percent, with large decreases for telecommunications services and equipment.
- Tradable prices increased 0.9 percent, while prices for non-tradables increased 2.4 percent.

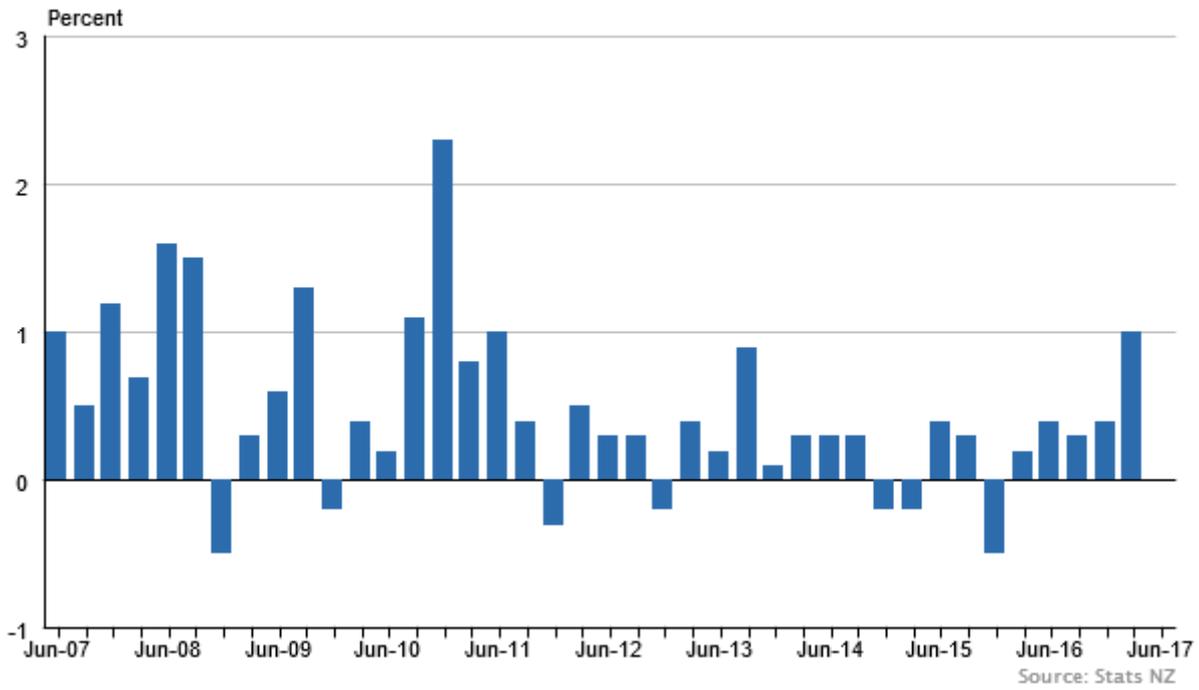
#### Average prices

The average price of 1 litre of 91 octane petrol was \$1.86 in the June 2017 quarter, down from \$1.90 in the March 2017 quarter, and up from \$1.78 in the June 2016 quarter.

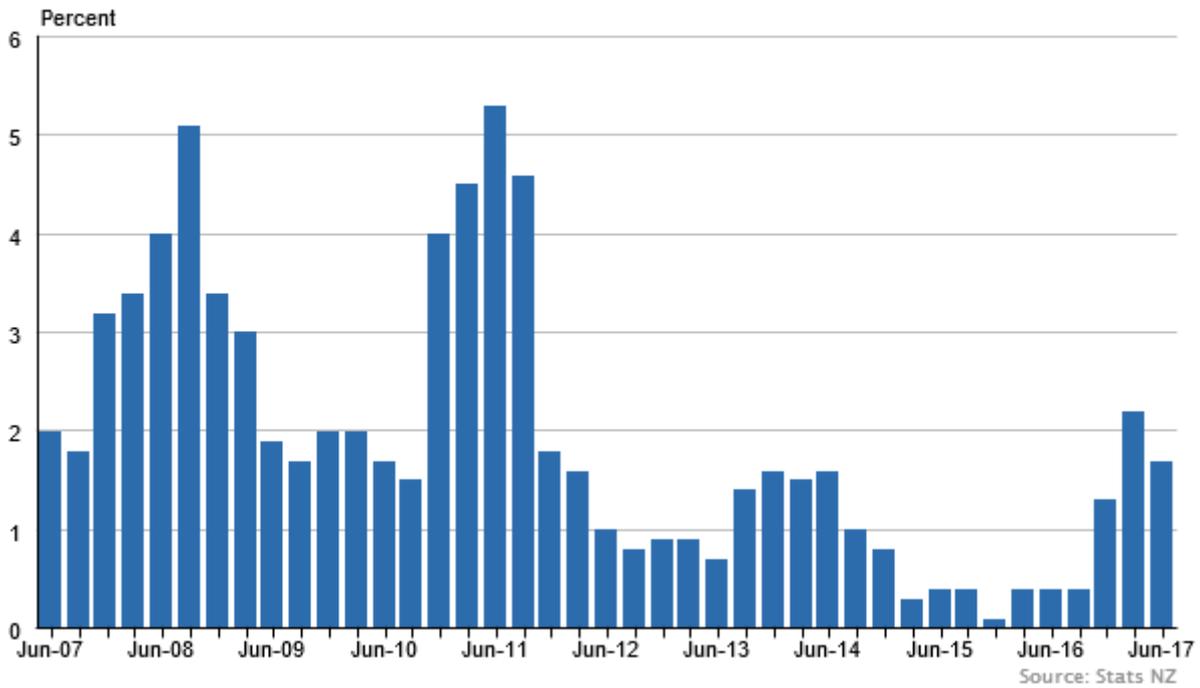
For more information on how the CPI works, see the [consumers price index – animation and infographic](#).

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



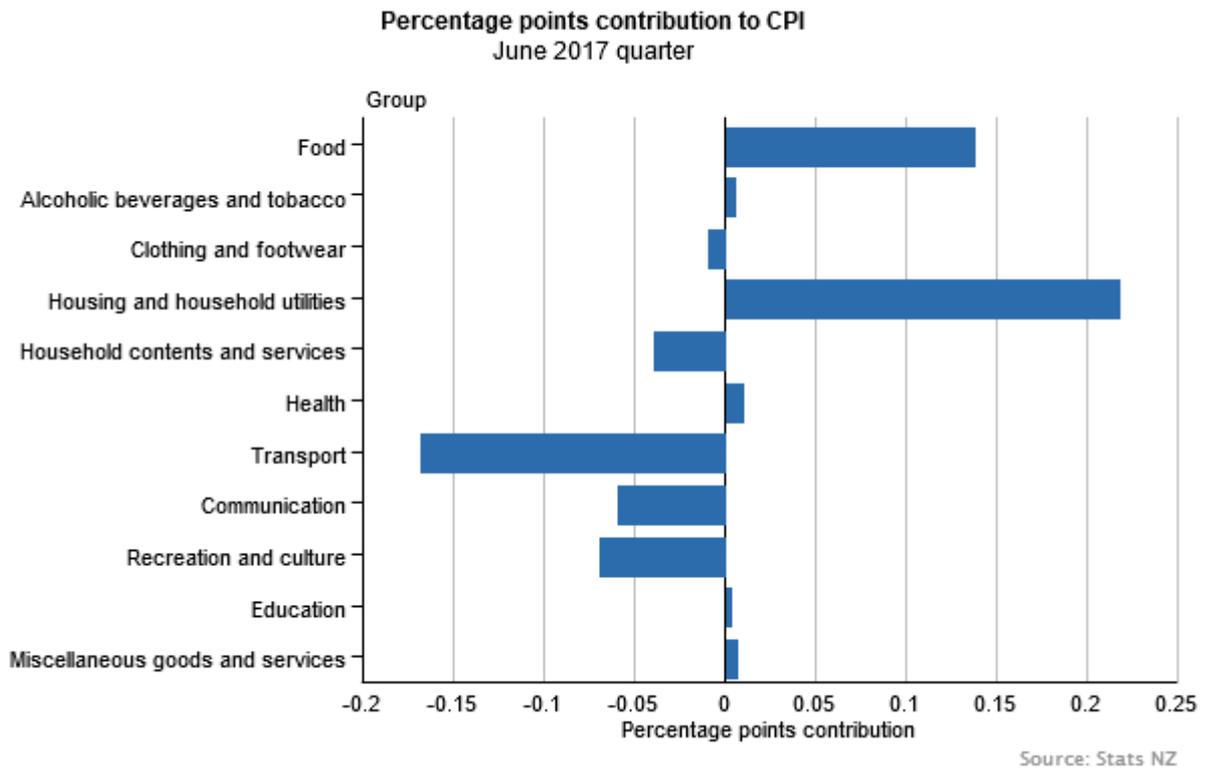
Teresa Dickinson, Acting Government Statistician  
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18 July 2017

## Commentary

- [Transport prices flatten CPI](#)
- [Tradable prices drop in June quarter](#)
- [Annual inflation rate falls to 1.7 percent](#)
- [Underlying price change stronger than overall increase](#)
- [New regional series available on Infoshare](#)

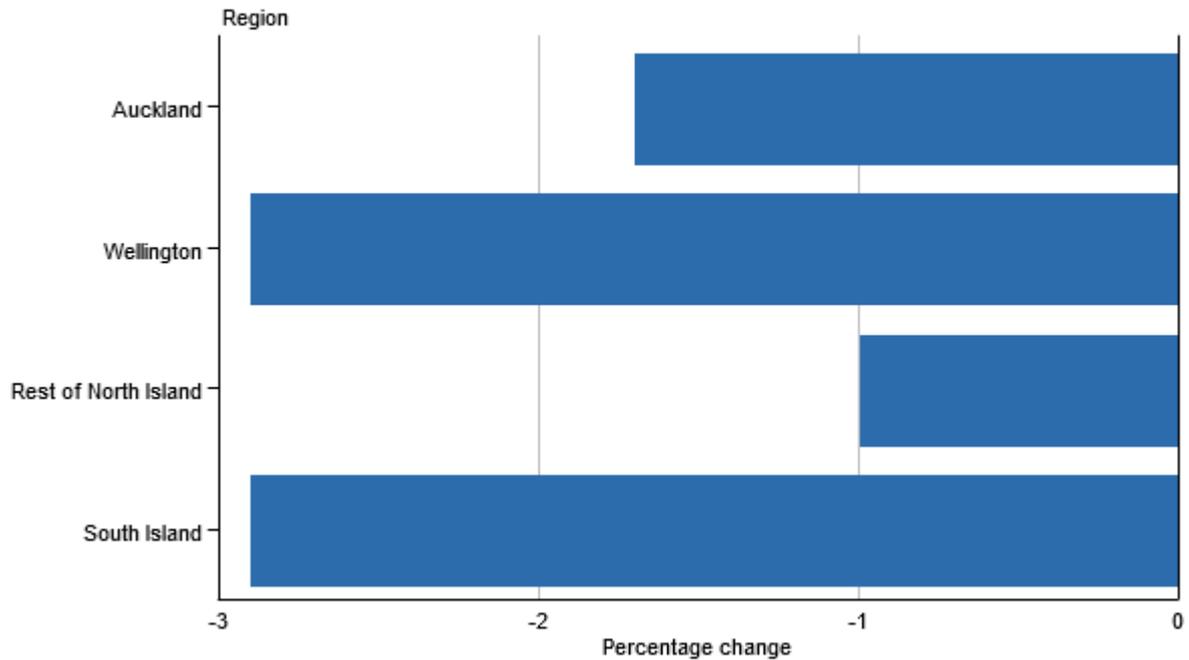
### Transport prices flatten CPI

The CPI was flat overall in the June 2017 quarter, following a 1.0 percent rise in the March 2017 quarter. Higher prices for housing and household utilities, and food, were partly offset by falls in transport, recreation and culture, and communication. After adjusting for seasonal effects, prices fell 0.1 percent.



**Transport** prices fell 1.3 percent, influenced by seasonally lower prices for domestic airfares (down 15 percent) and petrol (down 1.9 percent). Petrol prices fell 2.9 percent in both the South Island and Wellington, and 1.7 percent in Auckland.

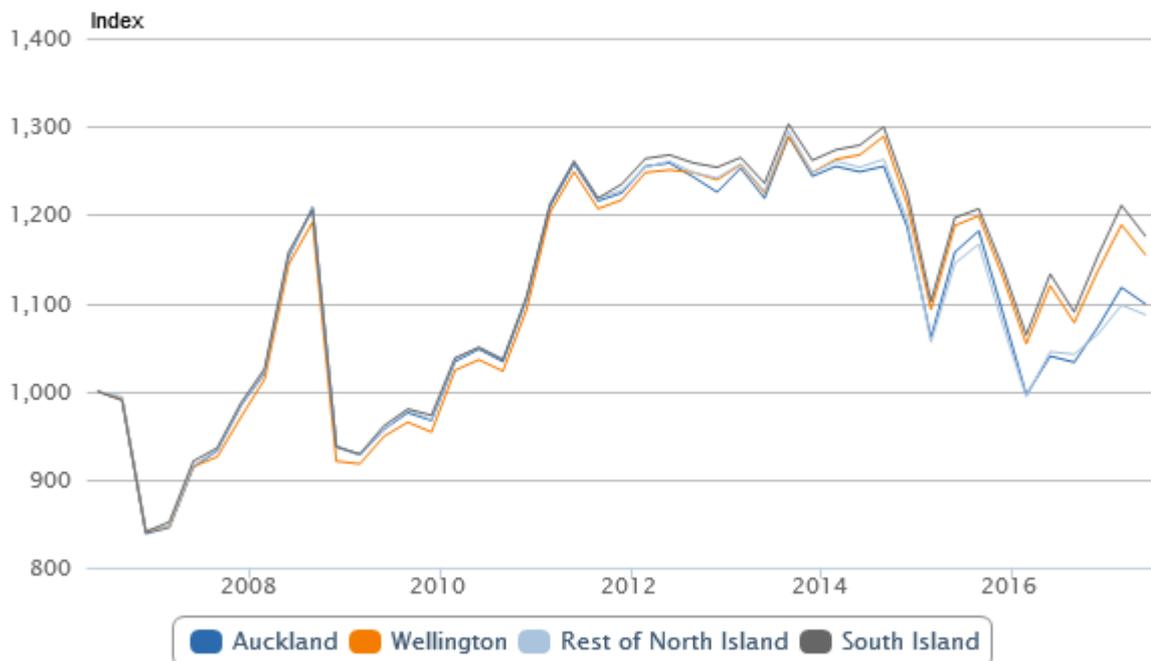
**CPI petrol – selected regions**  
Percentage change, June 2017 quarter



Source: Stats NZ

Petrol prices peaked in the September 2013 quarter, when the average price of a litre of 91 octane reached \$2.17 nationally. Since then, prices have fallen 15 percent in Auckland, 10 percent in Wellington, and 9.7 percent in the South Island.

**CPI petrol**  
Quarterly indexes, by region. Base: June 2006 quarter (=1000)



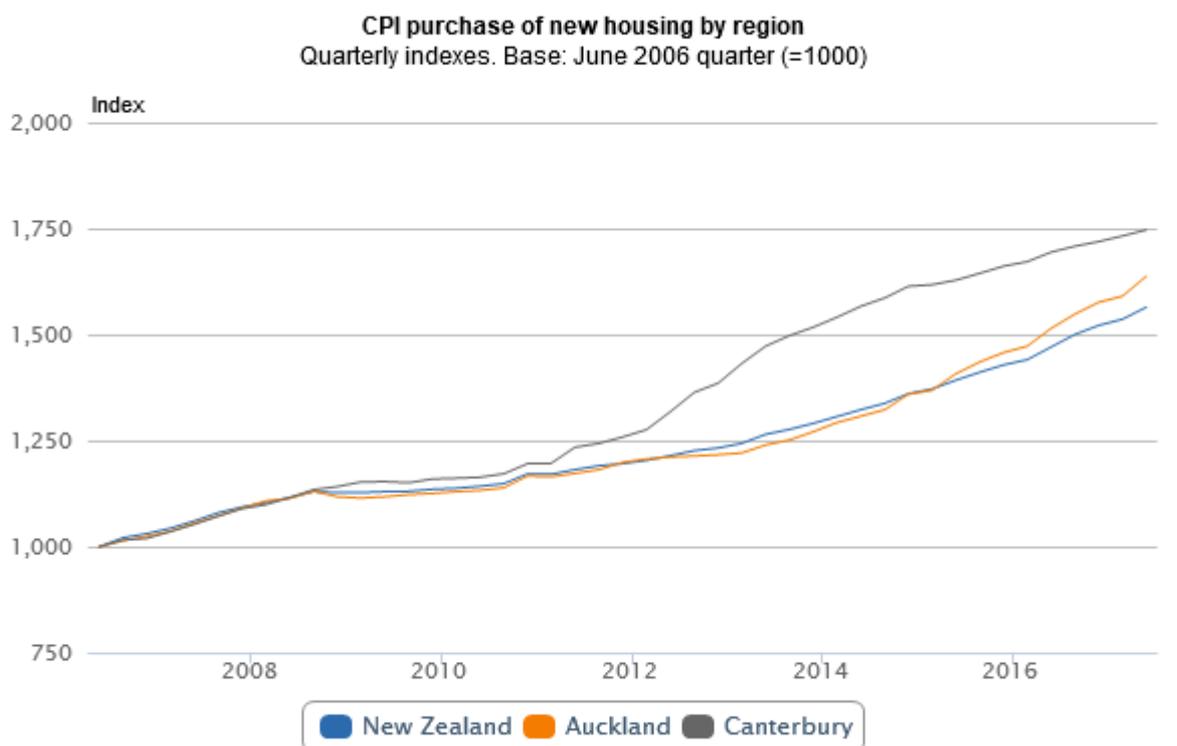
Source: Stats NZ

**Recreation and culture** prices fell 0.7 percent, with lower audio-visual and computing equipment prices down 5.4 percent, and seasonally lower prices for accommodation services down 8.1 percent.

A fall in **communication** prices (down 1.8 percent) reflected better value telecommunications services (down 1.3 percent).

**Housing and household utilities** prices rose 0.8 percent in the June 2017 quarter.

- Prices for newly built houses were up 1.8 percent; in Auckland, prices rose 3.0 percent.
- Electricity prices rose 1.5 percent, reflecting seasonally higher winter rates.
- Prices for actual rentals for housing rose 0.4 percent nationally, with rental prices in Wellington up 0.9 percent. Housing rental prices in Canterbury fell 1.6 percent, and are now at a similar level to the December 2014 quarter.



**Food** prices were up 0.7 percent in the June 2017 quarter.

- Vegetable prices rose 19 percent, reflecting poor weather and growing conditions over the quarter.
- Dairy prices rose over the quarter, with prices for butter reaching their highest price since the series began.

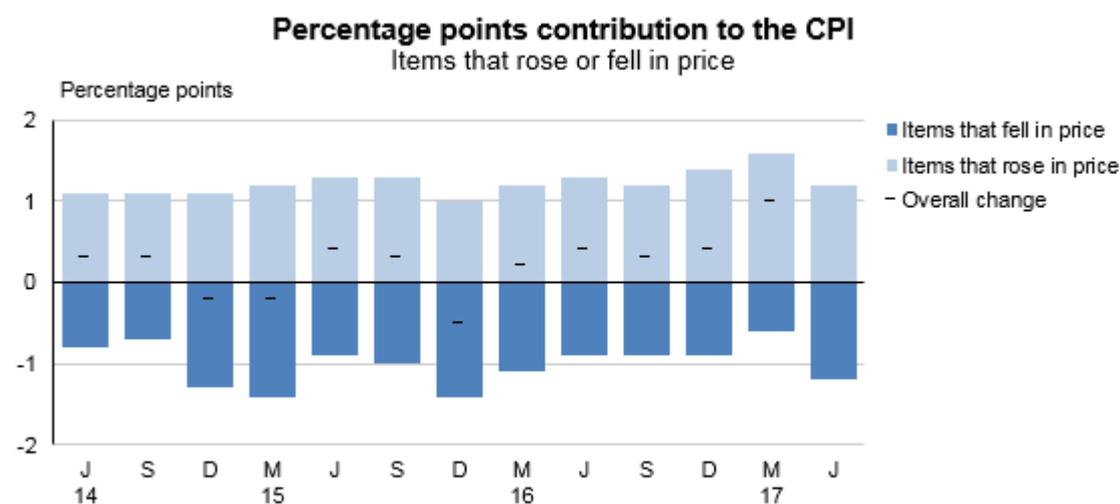
For more information, see [Food Price Index – information releases](#).

## Tradable prices drop in June quarter

**Tradables** fell 0.2 percent in the June 2017 quarter, following a 0.8 percent rise in the March 2017 quarter. Price falls for petrol, fruit, and furniture and furnishings were mostly offset by high vegetable prices.

**Non-tradables** rose 0.2 percent in the June 2017 quarter, with higher prices for new housing, electricity, and rents largely offset by cheaper domestic airfares and accommodation services, and seasonally lower prices for car rentals.

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).



Source: Stats NZ

## Annual inflation rate falls to 1.7 percent

In the year to the June 2017 quarter, the CPI increased 1.7 percent, following an increase of 2.2 percent in the year to March 2017. This is the third consecutive annual increase in line with the Reserve Bank's target band of 1–3 percent.

**Housing and household utilities** were the main upward contributor, up 3.1 percent, influenced by:

- newly built houses, excluding land (up 6.4 percent)
- actual rentals for housing (up 2.1 percent), with a 2.9 percent increase in Auckland and a 2.8 percent increase in Wellington
- local authority rates (up 3.2 percent).

Other housing-related prices also increased, with real estate services up 9.5 percent, and professional services (valuation and conveyancing) up 9.4 percent.

Overall, the above prices contributed 0.885 percentage points to the overall annual movement of 1.7 percent.

**Food** prices increased 2.0 percent, with fruit and vegetables up 8.8 percent.

**Alcoholic beverages and tobacco** prices increased 3.7 percent, reflecting the annual increase in tobacco tax in the March quarter.

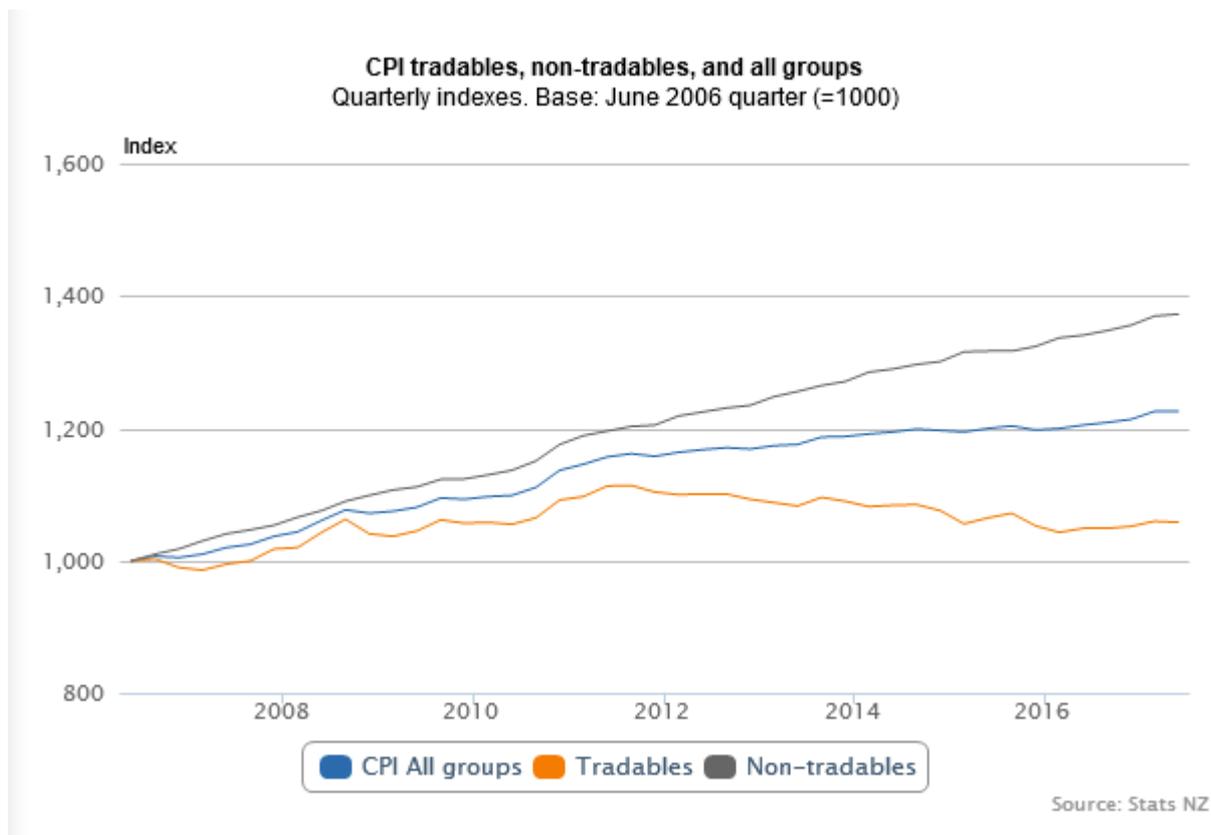
**Transport** prices increased 1.2 percent, influenced by higher prices for petrol (up 4.5 percent). These were partly offset by price decreases for vehicle relicensing fees.

**Communication** group prices decreased 4.6 percent, with better value telecommunications services (down 3.8 percent).

Prices for technology items continued to decrease, with audio-visual and computing equipment down 9.0 percent, and telecommunication equipment down 24 percent. Much of the price decreases represents continual improvements in quality and capability for these items. Prices for telecommunications services also decreased (down 3.8 percent), reflecting higher speeds and larger caps for broadband and cellphone plans.

**Tradables** increased 0.9 percent in the year to June 2017. Higher prices for vegetables, petrol, and milk, cheese and eggs made the main upwards contributions. These were partly offset by decreases for personal care items, audio-visual equipment, telecommunication equipment, and fruit.

**Non-tradables** increased 2.4 percent in the year to June 2017. Prices for the purchase of newly built houses, excluding land, made the most significant upwards contribution, followed by cigarettes and tobacco, and actual rentals for housing. These increases were partly offset by decreases for vehicle relicensing fees and telecommunications services.



## Underlying price change stronger than overall increase

The trimmed mean measures – which exclude extreme price rises and falls – showed quarterly changes from -0.1 to 0.1 percent, with trims at 20 percent or above at 0.1 percent. This indicates the ‘underlying’ price change (excluding extreme price rises and falls) was slightly higher overall for the quarter.

Underlying price change ranged from 1.8 to 1.9 percent on an annual basis, indicating higher underlying price change. At the 10 percent trim, the main upward contributors were newly built houses, actual rentals for housing, and petrol.

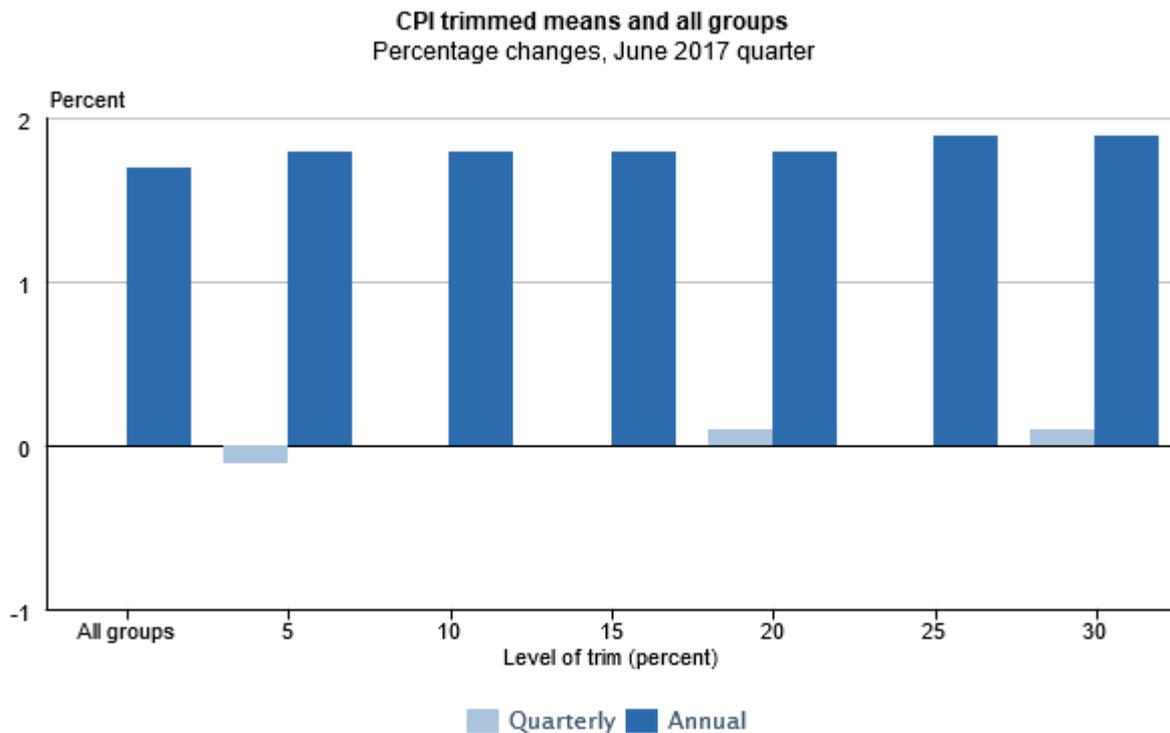


Table 3.03 of the attached Excel tables shows selected groupings in the year to the June 2017 quarter.

- CPI excluding housing and household utilities group increased 1.3 percent.
- CPI excluding alcoholic beverages and tobacco group increased 1.5 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 0.1 percent for the quarter, and 2.2 percent for the June 2017 year. Central and local government charges rose 0.9 percent in the year to the June 2017 quarter.

## **New regional series available on Infoshare**

From the June 2017 quarter, ongoing broad-region indexes on newly built housing, housing rentals, and petrol will be available on Infoshare. The broad-regions and customised series added are:

- Newly built housing
  - Auckland
  - Wellington
  - Rest of North Island
  - North Island
  - Canterbury
  - Rest of South Island
  - South Island
  - New Zealand less Auckland
  - New Zealand less Christchurch
  
- Housing rentals
  - Auckland
  - Wellington
  - Rest of North Island
  - North Island
  - Canterbury
  - Rest of South Island
  - South Island
  - New Zealand less Auckland
  - New Zealand less Christchurch
  
- Petrol
  - Auckland
  - Wellington
  - Rest of North Island
  - North Island
  - Canterbury
  - Rest of South Island
  - South Island

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

## **Related links**

### **Next release**

*Consumers Price Index: September 2017 quarter* will be released on **17 October 2017**.

[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 April to June 2017. Stats NZ staff visited retail outlets during 1–22 May. 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 May 2017.

#### **British and Irish Lions tour**

The 2017 British and Irish Lions tour took place from 3 June to 8 July. The impact of this tour on accommodation services, domestic airfares, food, parking, and other relevant products and services was mostly out of coverage due to being a) largely outside the pricing reference windows for the period (eg accommodation is priced as at 15 May), and b) mostly out of scope (tourist, rather than household, expenditure). Some impact of the Lions tour was captured in our prices for international airfares to Europe.

We collect prices for local (Super rugby and Mitre 10 cup) rugby admissions, but not for international fixtures.

#### **Response rates**

Postal

Target: 93 percent

Achieved: 94.97 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](#).

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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