

Producer Price Index for Computer Services



Separate components

- Data processing services (7.5% weight)
- Information storage and retrieval service (2.7%)
- Computer maintenance service (3.5%)
- Computer consultancy service (86.3%)

13% of property and business services division, approx 0.9% GDP. Industry income increased by 30% between June 1996 and June 1999.

Computer consultancy service



- customised software services;
- bundled computer services (software and hardware systems implementation & ongoing maintenance);
- other consultancy services.

Pricing methods used

- model prices, generally hypothetical project with charge out rates for required quality of staff.
- whole job specification for certain level of complexity.

Computer consultancy service



Makes no assessment of the changing quality of outputs (e.g. software produced) over time.

- plenty of evidence to suggest these have improved!
 - knowledge of IT professionals
 - higher quality technological inputs (hardware & software)
- suspect index is biased upwards - but by how much?

ABS software price index project



Initiated by National Accounts (and OECD taskforce) as expenditure on software is approximately 1.3% of GDP. Aiming to estimate constant quality price index for total software expenditure.

- Investigating use of 'function point analysis' as a measure of constant quality output.
- Computer consultancy services index may be able to leverage off results (although note reduced scope, need to estimate contribution by weight of customised software to index).

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Computer Service Price Index series

