

# CONSUMER PRICE INDEX, DECEMBER QUARTER 2017

## Summary

During the December quarter 2017:

- The Consumer Price Index (CPI) rose 0.6% nationally and rose 0.7% in Adelaide; and
- Annual CPI inflation to the December quarter 2017 was 1.9% nationally and 2.3% in Adelaide.

The average of the Reserve Bank of Australia's two measures of underlying annual inflation was 1.9% for the year to the December quarter 2017.

## Further Analysis

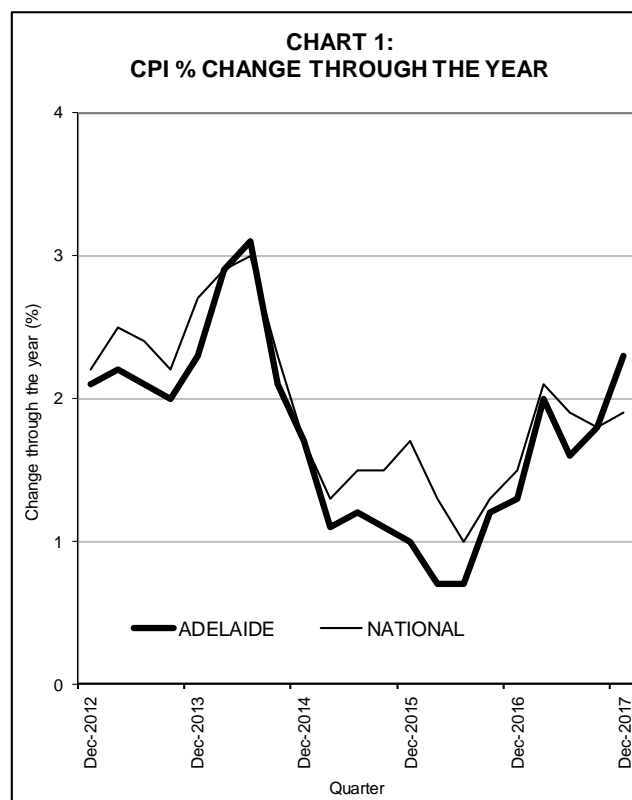
The annual increase in the national CPI of 1.9% was up from 1.8% in the previous quarter.

For Adelaide the annual increase of 2.3% was up from 1.8% recorded in the previous quarter—see Chart 1.

Adelaide's annual increase of 2.3% was the highest of the eight capital cities, followed by Sydney, Melbourne and Canberra (all up 2.2%), Hobart (up 2.1%), Brisbane (up 1.9%), Darwin (up 1.0%) and Perth (up 0.8%)—see Table 1.

Nationally, the rise in the CPI during the December quarter reflected the impact of rising prices for automotive fuel (up 10.4%), tobacco (up 8.5%), domestic holiday travel and accommodation (up 6.3%), and fruit (up 9.3%). The most significant offsetting price falls in the quarter are international travel and accommodation (down 1.7%), audio visual and computing equipment (down 3.5%) and telecommunication equipment and services (down 1.4%).

In Adelaide, the rise in the CPI of 0.7% during the December quarter reflected the impact of rising prices for tobacco and automotive fuel (both up 9.0%), and domestic holiday travel and accommodation (up 5.1%). These rises were partially offset by price falls for international travel and accommodation (down 2.6%) and audio, visual and computing equipment (down 2.9%).



**TABLE 1: CPI movement by Capital City**

	Dec Qtr 17 vs Sep Qtr 17 (%)	Dec Qtr 17 vs Dec Qtr 16 (%)
Sydney	0.7	2.2
Melbourne	0.7	2.2
Brisbane	0.8	1.9
<b>Adelaide</b>	<b>0.7</b>	<b>2.3</b>
Perth	0.4	0.8
Hobart	1.0	2.1
Darwin	0.3	1.0
Canberra	0.6	2.2
<b>National - headline</b>	<b>0.6</b>	<b>1.9</b>
<b>National - underlying*</b>	<b>0.4</b>	<b>1.9</b>

\* Average of RBA trimmed mean and weighted median measures

The Reserve Bank of Australia's measures of 'underlying' inflation show annual growth of 2.0% for the weighted median and 1.8% for the trimmed mean. The RBA monitors these two series as part of the process of determining official interest rates. The RBA pays particular attention to underlying inflation ensuring it is in line with the medium term target of 2-3% per annum —See Chart 2.

31 January 2018

Next release of ABS cat. no. 6401.0 is 24 April 2018

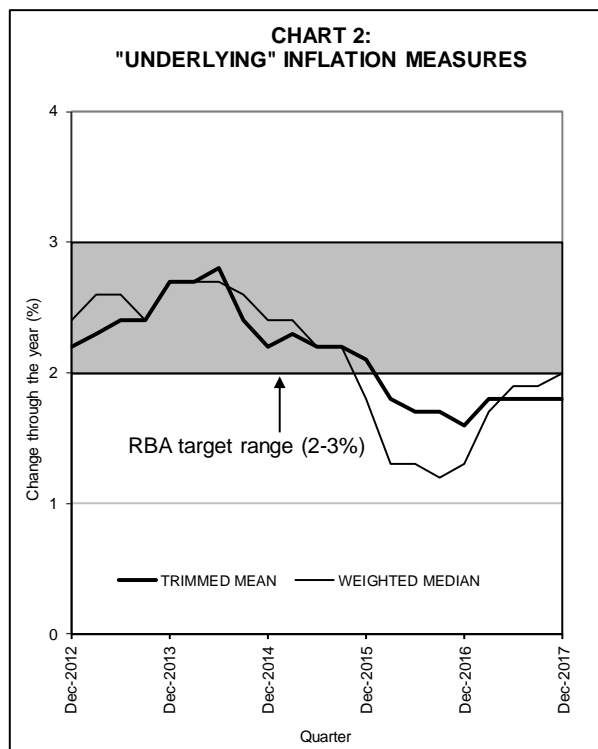


TABLE 2: Per cent changes in CPI by component group, December quarter 2017

	National % change In quarter	Adelaide % change In quarter	National % change In year	Adelaide % change In year
Food and non-alcoholic beverages	1.0	0.7	-0.2	-0.9
Alcohol and tobacco	3.2	4.0	7.3	8.3
Clothing & Footwear	-0.3	0.4	-3.0	-4.2
Housing	0.3	0.3	3.4	5.2
Furnishings, household equipment & services	-0.8	-0.5	-0.8	-0.7
Health	-0.5	-0.5	4.0	4.5
Transport	2.4	2.6	3.3	4.3
Communication	-1.3	-1.3	-3.4	-3.4
Recreation and culture	0.6	0.2	0.6	0.0
Education	0.1	0.1	3.2	3.0
Insurance & financial services	0.2	0.5	1.3	1.9
<b>All Groups</b>	<b>0.6</b>	<b>0.7</b>	<b>1.9</b>	<b>2.3</b>

