

# CONSUMER PRICE INDEX, SEPTEMBER QUARTER 2016

## Summary

During the September quarter 2016:

- The Consumer Price Index (CPI) rose 0.7% nationally and rose 0.8% in Adelaide; and
- Annual CPI inflation to the September quarter 2016 was 1.3% nationally and 1.2% in Adelaide.

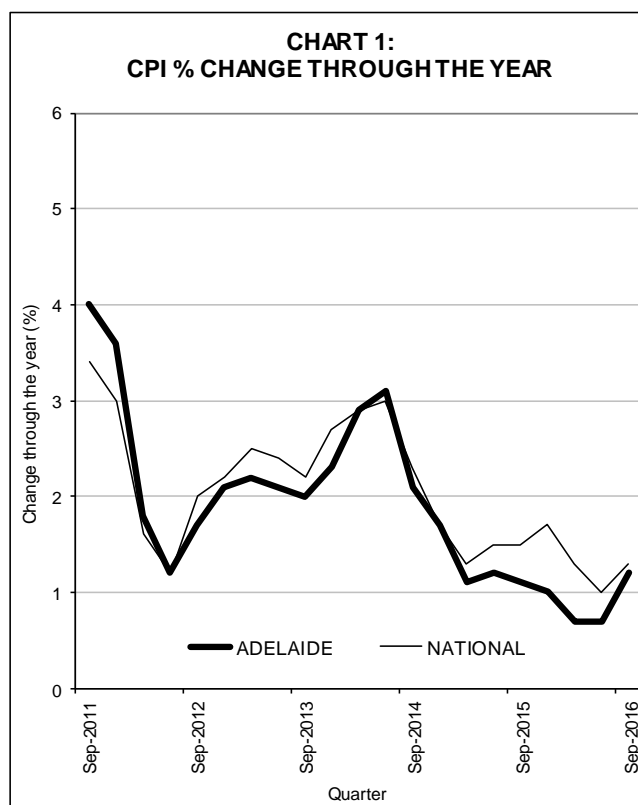
The average of the Reserve Bank of Australia's two measures of underlying annual inflation was 1.5% for the year to the September quarter 2016.

## Further Analysis

The annual increase in the national CPI of 1.3% was up from 1.0% in the previous quarter.

For Adelaide the annual increase of 1.2% was up from 0.7% recorded in the previous quarter—see Chart 1. Adelaide's annual increase was the third lowest of the eight capital cities.

The largest annual CPI increase was recorded for Sydney (up 1.7%), Brisbane (up 1.5%), Melbourne and Canberra (both up 1.4%) and Hobart (up 1.3%). Below national average increases were recorded for Adelaide (up 1.2%), Perth (up 0.5%) and Darwin (unchanged)—see Table 1.



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

	Sep Qtr 16 vs Jun Qtr 16 (%)	Sep Qtr 15 vs Sep Qtr 15 (%)
Sydney	1.0	1.7
Melbourne	0.5	1.4
Brisbane	0.6	1.5
<b>Adelaide</b>	<b>0.8</b>	<b>1.2</b>
Perth	0.4	0.5
Hobart	0.7	1.3
Darwin	0.4	0.0
Canberra	0.8	1.4
<b>National - headline</b>	<b>0.7</b>	<b>1.3</b>
<b>National – underlying*</b>	<b>0.4</b>	<b>1.5</b>

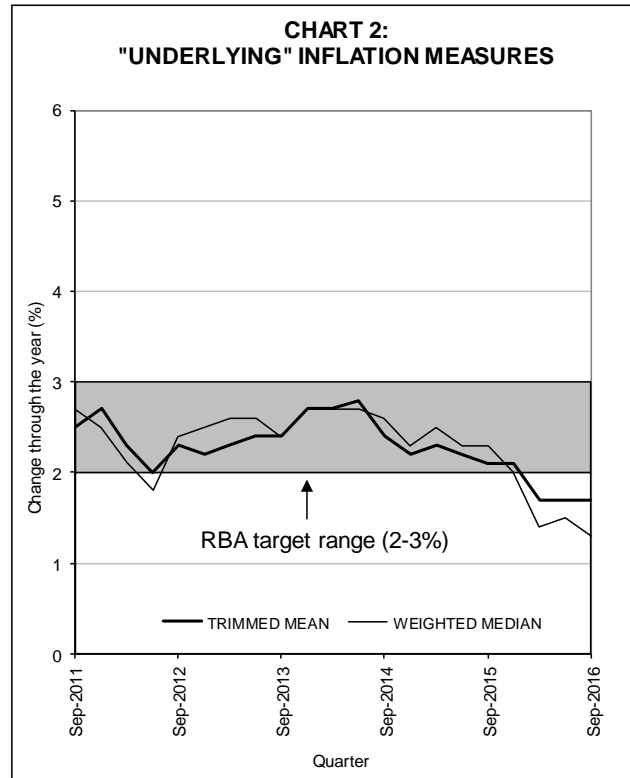
\* Average of RBA trimmed mean and weighted median measures



Nationally, the rise in the CPI during the September quarter reflected the impact of rising prices for fruit (up 20%), electricity (up 5.4%), vegetables (up 5.9%), tobacco (up 2.3%) and property rates and charges (up 4.0%). The most significant offsetting price fall was for automotive fuel (down 2.9%) followed by telecommunication equipment and services (down 2.5%).

In Adelaide, the rise in the CPI during the September quarter reflected the impact of rising prices for electricity (up 12%), fruit (up 24%), tobacco (up 2.5%), vegetables (up 8.5%) and insurance (up 4.1%). These rises were partially offset by price falls for gas and other household fuels (down 10%) and water and sewerage (down 6.3%).

The Reserve Bank of Australia's measures of 'underlying' inflation show annual growth of 1.3% for the weighted median and 1.7% 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.



26 October 2016

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**TABLE 2: Per cent changes in CPI by component group, September quarter 2016**

	National % change In quarter	Adelaide % change In quarter	National % change In year	Adelaide % change In year
Food and non-alcoholic beverages	1.7	1.8	1.5	1.5
Alcohol and tobacco	1.1	1.3	5.7	6.2
Clothing & Footwear	0.3	0.4	1.2	0.4
Housing	1.0	1.0	1.8	1.5
Furnishings, household equipment & services	1.1	1.6	1.9	2.5
Health	-0.2	-0.1	3.9	4.2
Transport	-0.5	-0.1	-3.4	-3.7
Communication	-2.3	-2.4	-7.5	-7.7
Recreation and culture	0.6	0.8	0.6	0.6
Education	0.2	0.0	3.3	2.8
Insurance & financial services	0.9	2.0	2.9	3.6
<b>All Groups</b>	<b>0.7</b>	<b>0.8</b>	<b>1.3</b>	<b>1.2</b>

