

CONSUMER PRICE INDEX, SEPTEMBER QUARTER 2017

Summary

During the September quarter 2017:

- The Consumer Price Index (CPI) rose 0.6% nationally and rose 1.1% in Adelaide; and
- Annual CPI inflation to the September quarter 2017 was 1.8% both nationally and 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 September quarter 2017.

Further Analysis

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

For Adelaide the annual increase of 1.8% was up from 1.6% recorded in the previous quarter—see Chart 1. Adelaide's annual increase was the fifth highest of the eight capital cities.

The largest annual CPI increase was recorded for Melbourne (up 2.2%), followed by Canberra (up 2.1%), Hobart (up 2.0%), Sydney (up 1.9%) and Adelaide (up 1.8%). Below national average increases were recorded for Brisbane (up 1.5%), Perth (up 0.8%) and Darwin (up 0.6%)—see Table 1.

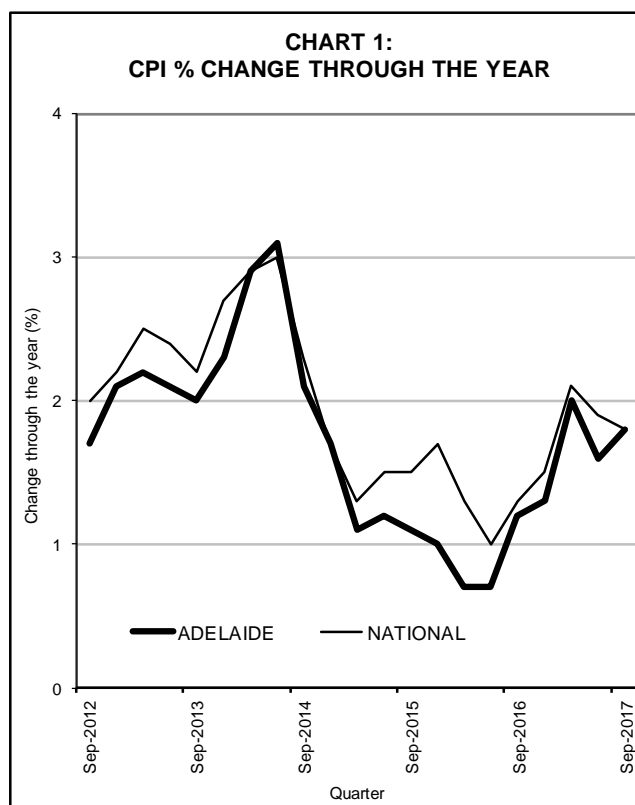


TABLE 1: CPI movement by Capital City

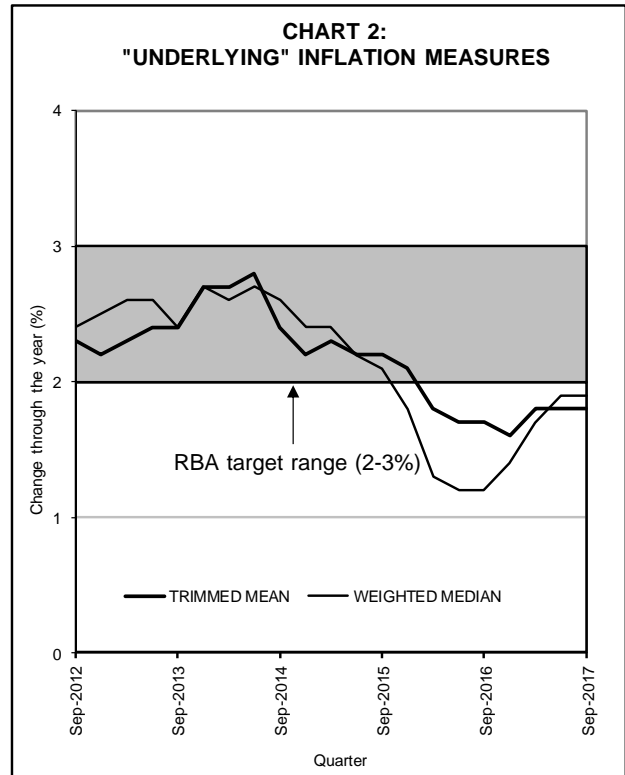
	Sep Qtr 17 vs Jun Qtr 17 (%)	Sep Qtr 17 vs Sep Qtr 16 (%)
Sydney	0.7	1.9
Melbourne	0.5	2.2
Brisbane	0.4	1.5
Adelaide	1.1	1.8
Perth	0.5	0.8
Hobart	0.3	2.0
Darwin	0.6	0.6
Canberra	0.9	2.1
National - headline	0.6	1.8
National – underlying*	0.4	1.9

* 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 electricity (up 8.9%), tobacco (up 4.1%), international holiday travel and accommodation (up 4.1%), new dwelling purchase by owner-occupiers (up 0.8%), gas and other household fuels (up 5.2%) and property rates and charges (up 2.6%). The most significant offsetting price fall was for vegetables (down 10.9%) followed by automotive fuel (down 2.3%) and telecommunication equipment and services (down 1.5%).

In Adelaide, the rise in the CPI during the September quarter reflected the impact of rising prices for electricity (up 21%), tobacco (up 4.2%), international holiday travel and accommodation (up 4.8%), gas and other household fuels (up 8.4%) and property rates and charges (up 3.5%). These rises were partially offset by price falls for vegetables (down 7.1%) and telecommunication equipment and services (down 1.6%).

The Reserve Bank of Australia's measures of 'underlying' inflation show annual growth of 1.9% 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.



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

	National % change In quarter	Adelaide % change In quarter	National % change In year	Adelaide % change In year
Food and non-alcoholic beverages	-0.9	-1.0	-0.7	-0.9
Alcohol and tobacco	2.2	2.2	7.0	6.6
Clothing & Footwear	-0.9	-1.2	-3.2	-5.9
Housing	1.9	4.3	3.3	4.8
Furnishings, household equipment & services	0.4	-0.3	-0.8	-2.1
Health	-0.2	-0.1	3.9	4.4
Transport	0.0	0.6	2.7	2.7
Communication	-1.4	-1.4	-2.9	-2.8
Recreation and culture	1.3	0.8	0.6	0.0
Education	0.0	0.0	3.1	3.0
Insurance & financial services	0.6	1.1	1.8	1.7
All Groups	0.6	1.1	1.8	1.8

