

# Consumer Price Index (ABS Cat No 6401.0)

Latest quarter: March quarter 2018

Release date: 24 April 2018

Next release date: 25 July 2018

Australian estimates of the CPI refer to the weighted average of Australia's eight capital cities. This quarter the ABS introduced new expenditure weights based on information from the 2015-16 Household Expenditure Survey to ensure the weights are representative of household spending patterns on goods and services.

## Quarterly and annual movements

The Hobart CPI was estimated to have increased by 0.7 per cent in the March quarter 2018 and was 2.0 per cent higher than the price index in the corresponding quarter one year earlier. Nationally, the CPI was estimated to have increased by 0.4 per cent in the March quarter 2018 and was 1.9 per cent higher than the same quarter in the previous year.

## CPI analytical measures

The CPI is a key indicator considered by the RBA when determining the official cash rate, given the RBA's target of maintaining national inflation within a band of two to three per cent over the economic cycle.

The RBA analytical measures of CPI growth at the national level (Table 2) show that the average of the two published measures of core inflation is now at the bottom end of the RBA's target band.

From the December quarter 2007 to the March quarter 2010, this average measure, for each quarter, was above the RBA's target band, but decreased to be within the target band for most quarters between the June quarter 2010 and the December quarter 2015.

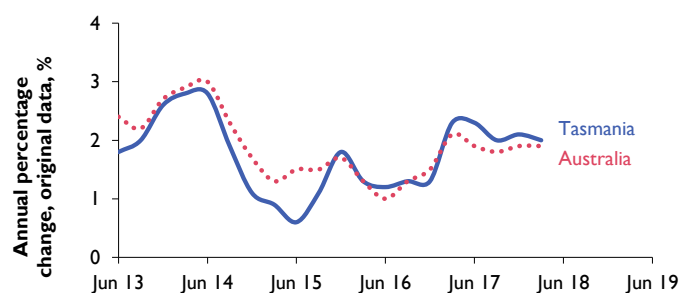
While the average analytical measure remained below the target band in annual terms since the first quarter of 2016, the measure has strengthened over recent quarters and was 2.0 per cent in the March quarter 2018.

**Table 1: Percentage change of CPI by capital city, March quarter 2018, original data**

Original data	Qtrly % change	Annual % change	Year average % change
Sydney	0.3	2.1	2.1
Melbourne	0.9	2.2	2.2
Brisbane	0.1	1.7	1.8
Adelaide	0.4	2.3	2.0
Perth	0.1	0.9	0.8
<b>Hobart</b>	<b>0.7</b>	<b>2.0</b>	<b>2.1</b>
Darwin	0.0	1.1	0.8
Canberra	0.8	2.4	2.2
<b>Australia</b>	<b>0.4</b>	<b>1.9</b>	<b>1.9</b>

SOURCE: CONSUMER PRICE INDEX, ABS CAT NO 6401.0: TABLE 1, 2

**Chart 1: Annual percentage change of CPI, Hobart and Australia, original data**



SOURCE: CONSUMER PRICE INDEX, ABS CAT NO 6401.0: TABLE 1, 2

**Table 2: Percentage change of CPI analytical measures, March quarter 2018, Australia, original and seasonally adjusted data**

	Qtrly	Annual
<b>Original</b>		
All groups	0.4	1.9
All groups excluding volatile items	0.4	2.0
<b>Seasonally Adjusted</b>		
RBA weighted median	0.5	2.0
RBA trimmed mean	0.5	1.9
Average of weighted median and trimmed mean	0.5	2.0

SOURCE: CONSUMER PRICE INDEX, ABS CAT NO 6401.0: TABLE 9, 10

# Consumer Price Index (ABS Cat No 6401.0)

Latest quarter: March quarter 2018

## CPI components

Over the past year, declines were recorded in the communications, clothing and footwear, and food components of Hobart CPI, while all other components of Hobart CPI increased, with alcohol and tobacco and health recording the strongest increases.

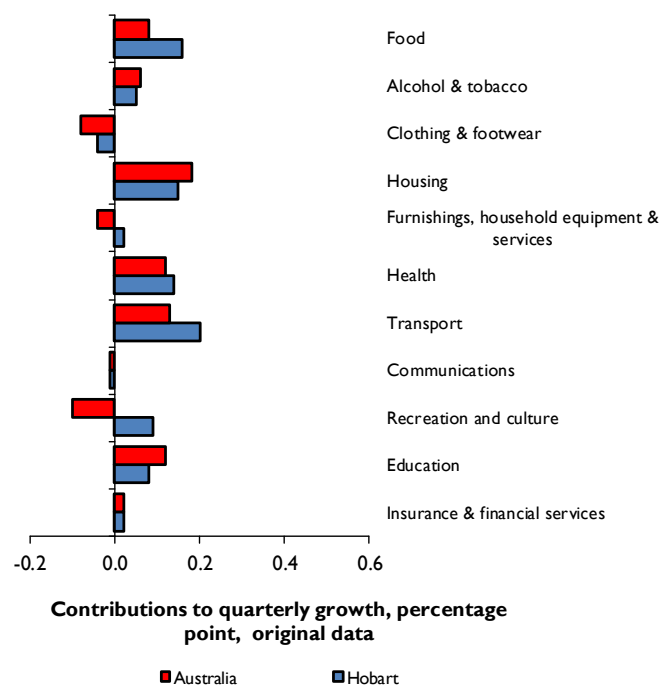
The large increases and decreases in components of Hobart CPI were largely consistent with changes in the national CPI through the year to the March quarter 2018.

**Table 3: Annual percentage change in CPI components, Hobart and Australia, March quarter 2018, original data**

Original data	Hobart	Australia
Food	-0.2	0.5
Alcohol and tobacco	8.3	7.0
Clothing and footwear	-1.3	-3.5
Housing	2.6	3.3
Furnishings, household equip. and services	0.4	-0.1
Health	4.8	4.2
Transport	2.1	2.9
Communications	-4.0	-3.4
Recreation and culture	2.0	0.6
Education	2.2	2.6
Insurance and financial services	0.8	1.0
<b>All groups</b>	<b>2.0</b>	<b>1.9</b>

SOURCE: CONSUMER PRICE INDEX, ABS CAT NO 6401.0: TABLES 3, 4, 5

**Chart 2: Quarterly component contribution to total CPI change, March quarter 2018, original data**



SOURCE: CONSUMER PRICE INDEX, ABS CAT NO 6401.0: TABLE 6

**This Data Release is not to be reproduced or altered without the permission of the Economic Analysis Unit.**