

# Consumer Price Index (ABS Cat No 6401.0)

Latest quarter: September quarter 2018

Release date: 31 October 2018

Next release date: 30 January 2019

Australian estimates of the CPI refer to the weighted average of Australia's eight capital cities.

## Quarterly and annual movements

The Hobart CPI was estimated to have increased by 0.6 per cent in the September quarter 2018 and was 2.7 per cent higher than the price index in the corresponding quarter one year earlier. Nationally, the CPI was also estimated to have increased by 0.4 per cent in the September 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 just below the bottom end of the RBA's target range.

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.

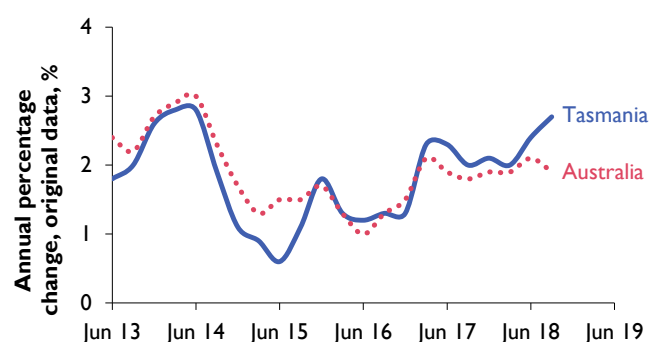
The average of the analytical measures was estimated to be 1.8 per cent in annual terms in the September quarter 2018, unchanged from the previous quarter.

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

Original data	Qtrly % change	Annual % change	Year average % change
Sydney	0.6	2.0	2.1
Melbourne	0.2	2.2	2.3
Brisbane	0.4	1.8	1.8
Adelaide	0.3	1.8	2.3
Perth	0.5	1.2	1.0
<b>Hobart</b>	<b>0.6</b>	<b>2.7</b>	<b>2.3</b>
Darwin	0.6	1.3	1.1
Canberra	0.6	2.5	2.5
<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, September 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	1.2
<b>Seasonally Adjusted</b>		
RBA weighted median	0.3	1.7
RBA trimmed mean	0.4	1.8
Average of weighted median and trimmed mean	0.4	1.8

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

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## CPI components

Over the past year, declines were recorded in the communications and the furnishings, food and clothing and footwear components of Hobart CPI, while all other components of Hobart CPI increased, with alcohol and tobacco recording the strongest increase, followed by the transport and housing components.

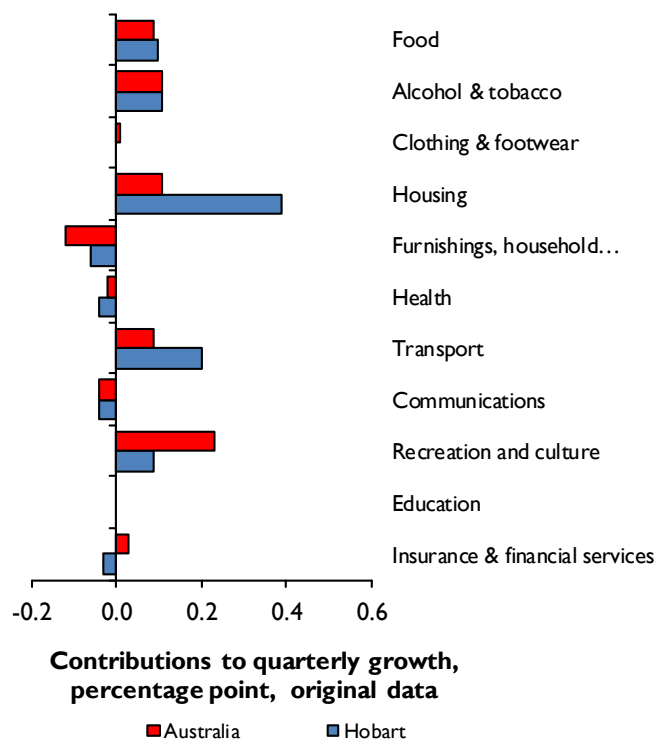
The large increases and decreases in components of Hobart CPI were largely consistent with changes in the national CPI through the year to the September quarter 2018. Notable exceptions to this consistency were for the clothing and footwear component, which increased slightly in Hobart but decreased slightly nationally; the housing component, which increased significantly more in Hobart than nationally; and the insurance and financial services component, which decreased slightly in Hobart but increased moderately nationally.

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

Original data	Hobart	Australia
Food	1.3	1.6
Alcohol and tobacco	6.7	6.8
Clothing and footwear	1.1	-0.8
Housing	4.0	1.6
Furnishings, household equip. and services	-1.2	-2.0
Health	3.5	3.2
Transport	6.1	6.0
Communications	-4.5	-4.3
Recreation and culture	2.8	1.2
Education	2.2	2.8
Insurance and financial services	-0.6	1.4
<b>All groups</b>	<b>2.7</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, September quarter 2018, original data**



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

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