

# Consumer Price Index

Latest quarter: March quarter 2021

Release date: 28 April 2021

Next release date: 28 July 2021

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 0.8 per cent in the March quarter 2021, and was 1.1 per cent higher than the price index in the corresponding quarter one year earlier.

Nationally, the CPI was estimated to have increased by 0.6 per cent in the March quarter 2021, and was 1.1 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 below the bottom end of the RBA's target range.

From the June quarter 2010 to the December quarter 2015, this average measure, for each quarter, was within the RBA's target band, but decreased to be below the target band for most quarters since then.

## CPI components

In the March quarter 2021, the largest contributors to the increase in Hobart CPI were in transport, education and health (Chart 2).

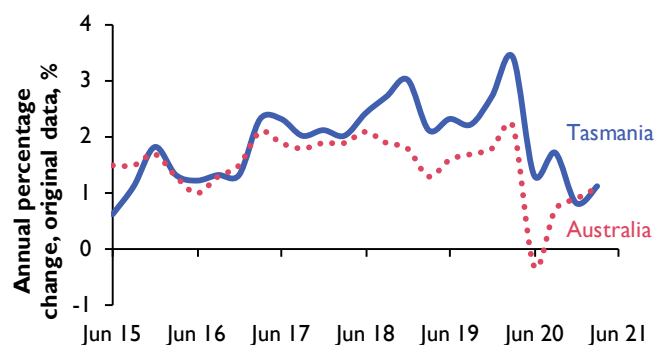
The increase in the transport component was largely due to the increase in the price of automotive fuel as a result of further recovery in world oil prices from large price falls in early 2020 due to COVID-19 related global lockdowns.

**Table 1: Percentage change of CPI by capital city, March quarter 2021, original data**

Original data	Qtrly % change	Annual % change	Year average % change
Sydney	0.4	0.9	0.2
Melbourne	0.3	0.8	0.8
Brisbane	0.6	1.7	0.6
Adelaide	0.6	1.2	1.0
Perth	1.4	1.0	0.6
<b>Hobart</b>	<b>0.8</b>	<b>1.1</b>	<b>1.2</b>
Darwin	2.6	2.3	0.0
Canberra	0.9	1.6	0.8
<b>Australia</b>	<b>0.6</b>	<b>1.1</b>	<b>0.6</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 2021, Australia, original and seasonally adjusted data**

	Qtrly	Annual
<b>Original</b>		
All groups	0.6	1.1
All groups excluding volatile items	0.3	1.4
<b>Seasonally Adjusted</b>		
RBA weighted median	0.4	1.3
RBA trimmed mean	0.3	1.1
Average of weighted median and trimmed mean	0.4	1.2

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

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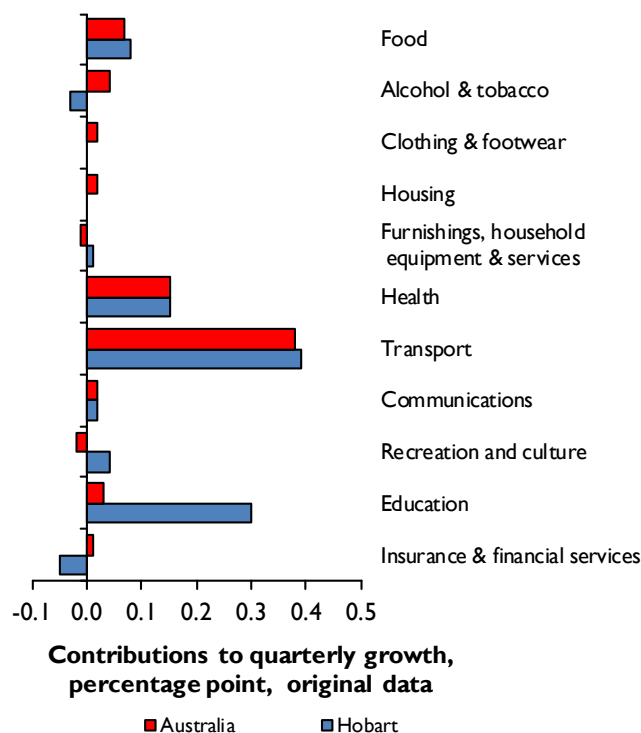
## Latest quarter: March quarter 2021

An increase in the education component in the March quarter was mainly due to secondary education and preschool and primary education fees returning to previous levels, after the Tasmanian Government refunded all compulsory public-school levies paid in 2020. The increase in the health component was due to the cyclical reduction in the proportion of consumers who qualify for subsidies under the Medicare safety net and the Pharmaceutical Benefits Scheme.

These increases were partially offset by a decrease in the insurance and financial services, and alcohol and tobacco components.

Over the past year, the largest increase was recorded in the alcohol and tobacco component of Hobart CPI, followed by health, and furnishings, household equipment and services, while the largest decrease was for the transport component, followed by communications (Table 3).

**Chart 2: Quarterly component contribution to total CPI change, March quarter 2021, original data**



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

**Table 3: Consumer Price Index, Tasmania and Australia, original data**

Original data	Tasmania				Australia			
	Mar 20	Sep 20	Dec 20	Mar 21	Mar 20	Sep 20	Dec 20	Mar 21
<b>All groups index</b>	117.2	116.7	117.6	118.5	116.6	116.2	117.2	117.9
quarterly change (%)	0.4	1.0	0.8	0.8	0.3	1.6	0.9	0.6
annual change (%)	3.4	1.7	0.8	1.1	2.2	0.7	0.9	1.1
year-average change (%)	2.7	2.3	1.8	1.2	1.8	1.1	0.8	0.6
<b>Annual Percentage Change in CPI Components</b>								
Food	3.2	3.2	1.9	0.5	3.2	3.4	2.3	0.7
Alcohol and tobacco	8.3	9.0	10.6	8.8	7.9	8.1	9.3	7.9
Clothing and footwear	2.4	-0.4	-0.1	-0.3	2.0	-0.5	-1.3	0.0
Housing	4.9	2.2	1.3	0.4	0.6	-0.2	-0.9	-1.1
Furnishings, household equip. and services	2.6	2.4	2.7	1.9	2.2	-0.1	3.6	2.7
Health	4.1	0.7	2.4	2.7	2.9	1.0	2.6	3.0
Transport	3.3	-5.5	-7.0	-3.4	2.6	-4.0	-4.6	0.4
Communications	-3.5	-3.2	-2.6	-1.8	-3.4	-3.3	-2.7	-1.9
Recreation and culture	0.6	3.0	-2.5	-0.3	1.3	-0.7	0.0	1.5
Education	1.7	-5.1	-5.1	0.6	2.7	1.0	2.1	-0.1
Insurance and financial services	1.2	1.3	1.8	0.4	1.6	1.6	1.2	0.6

SOURCE: CONSUMER PRICE INDEX, ABS CAT NO 6401.0: TABLES 1, 2, 3, 4, 5

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