

## SUMMARY

During the December quarter 2020:

- The Consumer Price Index (CPI) rose 0.9% nationally and rose 0.7% in Adelaide; and
- Annual CPI inflation to the December quarter 2020 was 0.9% nationally and 1.0% in Adelaide.

The average of the Reserve Bank of Australia's two measures of underlying inflation was 1.3% for the year to the December quarter 2020.

## FURTHER ANALYSIS

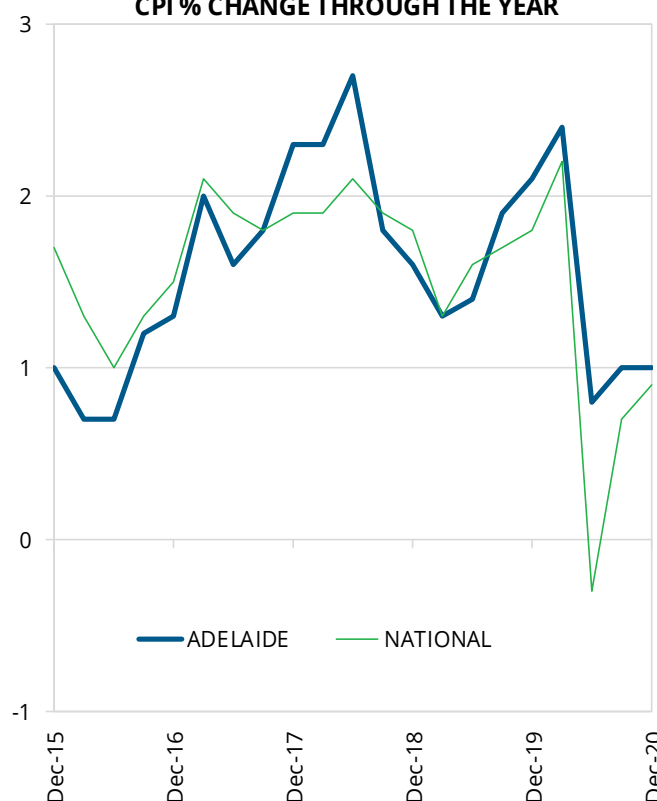
The annual increase in the national CPI of 0.9% was up from 0.7% in the previous quarter.

For Adelaide the annual increase of 1.0% was unchanged from the annual increase recorded in the previous quarter—see Chart 1. Adelaide's annual increase was the equal third highest (Brisbane) of the eight capital cities.

The largest annual CPI increase was recorded for Melbourne (up 1.3%), followed by Canberra (up 1.1%), Adelaide and Brisbane (both up 1.0%) and Sydney and Hobart (both up 0.8%). Darwin was the only capital city to record no annual CPI growth, while Perth was the only capital city to record a fall (down 0.1%)<sup>1</sup>—see Table 1.

<sup>1</sup>Perth's CPI fall was driven by the \$600 household electricity credit introduced by the state government from 1 November 2020.

**CHART 1:  
CPI % CHANGE THROUGH THE YEAR**



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

	Dec Qtr 20 vs Sep Qtr 20 (%)	Dec Qtr 20 vs Dec Qtr 19 (%)
Sydney	1.0	0.8
Melbourne	1.5	1.3
Brisbane	1.1	1.0
<b>Adelaide</b>	<b>0.7</b>	<b>1.0</b>
Perth	-1.0	-0.1
Hobart	0.8	0.8
Darwin	0.6	0.0
Canberra	0.8	1.1
<b>National - headline</b>	<b>0.9</b>	<b>0.9</b>
<b>National - underlying*</b>	<b>0.5</b>	<b>1.3</b>

\* Average of RBA trimmed mean and weighted median measures

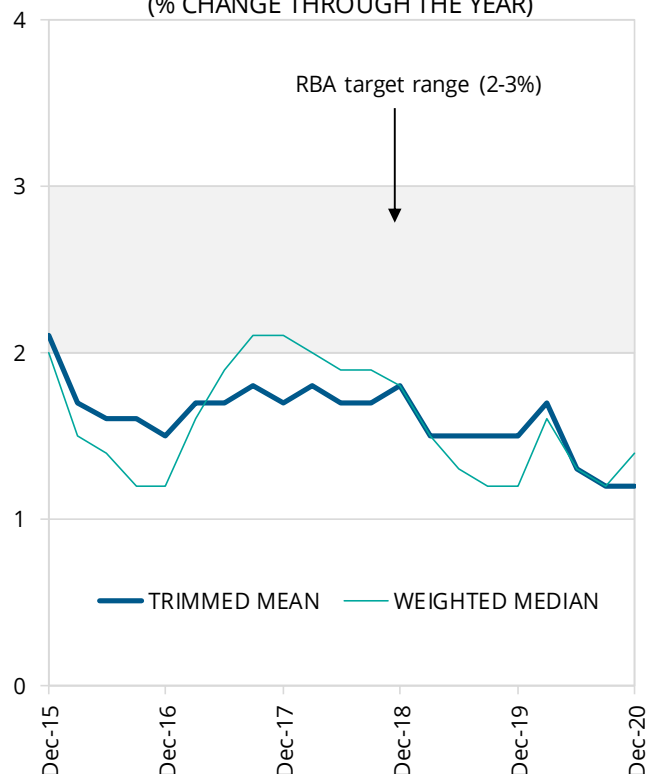
Nationally, the rise in the CPI during the December quarter reflected the impact of rising prices for Tobacco (up 11%), Child care (up 38%)<sup>2</sup>, Domestic holiday travel and accommodation (up 6.3%), Medical and hospital services (up 2.5%), Preschool and primary education (up 5.4%) and New dwelling purchase by owner-occupiers (up 0.7%). The most significant offsetting price fall was for Electricity (down 7.5%) followed by Vegetables (down 6.0%).

In Adelaide, the rise in the CPI during the December quarter reflected the impact of rising prices for Tobacco (up 11%), Medical and hospital services (up 4.3%), Child care (up 15%), Motor vehicles (up 3.0%) and Domestic holiday travel and accommodation (up 2.8%). These rises were partially offset by price falls for Automotive fuel (down 4.6%) and Vegetables (down 6.1%).

The Reserve Bank of Australia's measures of 'underlying' inflation show annual growth of 1.4% for the weighted median and 1.2% for the trimmed mean. The RBA monitors these two series as part of the process of determining official interest rates.

<sup>2</sup>Price increase of childcare relates to the conclusion of childcare fee subsidies.

**CHART 2:**  
**"UNDERLYING" INFLATION MEASURES**  
(% CHANGE THROUGH THE YEAR)



Next release of [this ABS data](#) (formerly cat. no. 6401.0) is 28 April 2021

**TABLE 2: Per cent changes in CPI by component group, December quarter 2020**

	<b>National % change In quarter</b>	<b>Adelaide % change In quarter</b>	<b>National % change In year</b>	<b>Adelaide % change In year</b>
Food and non-alcoholic beverages	0.2	-0.2	2.3	2.9
Alcohol and tobacco	4.2	5.0	9.3	10.8
Clothing & Footwear	-1.0	-1.3	-1.3	-1.5
Housing	-0.6	-0.1	-0.9	-1.6
Furnishings, household equipment & services	3.4	0.7	3.6	4.1
Health	1.3	2.6	2.6	3.9
Transport	0.9	-1.0	-4.6	-7.3
Communication	-0.4	-0.3	-2.7	-2.5
Recreation and culture	1.6	0.9	0.0	0.0
Education	1.2	0.2	2.1	2.0
Insurance & financial services	0.1	0.6	1.2	2.0
All Groups	0.9	0.7	0.9	1.0