

SUMMARY

During the December quarter 2023:

- The Consumer Price Index (CPI) rose 0.6% nationally and rose 0.7% in Adelaide; and
- Annual CPI inflation to the December quarter 2023 was 4.1% nationally and 4.8% in Adelaide.

The average of the Reserve Bank of Australia's two measures of underlying inflation was 4.3% for the year to the December quarter 2023.

FURTHER ANALYSIS

The annual increase in the national CPI of 4.1% was down from 5.4% in the previous quarter.

For Adelaide the annual increase of 4.8% was down from 5.9% recorded in the previous quarter—see Chart 1. Adelaide's annual increase was the highest of the eight capital cities.

Annual CPI increases recorded in Adelaide, Brisbane and Sydney were above the national increase, while increases recorded for Darwin, Melbourne, Perth, Canberra and Hobart were below the national increase—see Table 1.

The Reserve Bank of Australia's measures of 'underlying' inflation show annual growth of 4.4% for the weighted median and 4.2% for the trimmed mean—see Chart 2. The RBA monitors these two series as part of the process of determining official interest rates.

The ABS notes that the price of Tobacco nationally rose 7.0% in the quarter following the introduction of the 5 per cent annual tobacco excise indexation and biannual Average Weekly Ordinary Time Earnings increase in September. Insurance rose 3.8% in the quarter due to higher premiums across motor vehicle, house and home contents insurance.

**CHART 1:
CPI**

(% CHANGE THROUGH THE YEAR)

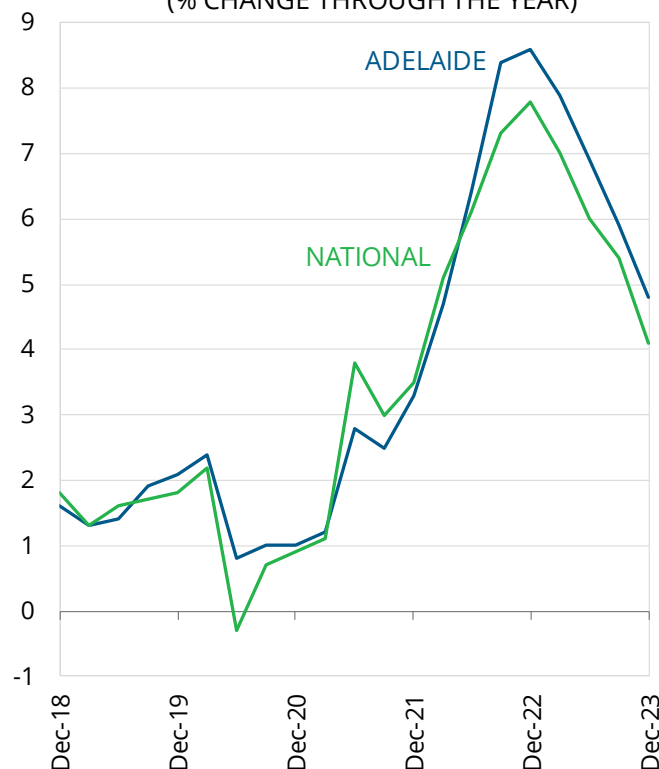


TABLE 1: CPI movement by Capital City

| | Dec Qtr 23 vs Sep Qtr 23 (%) | Dec Qtr 23 vs Dec Qtr 22 (%) |
|-------------------------------|------------------------------------|------------------------------------|
| Sydney | 0.4 | 4.2 |
| Melbourne | 0.6 | 3.8 |
| Brisbane | 0.5 | 4.2 |
| Adelaide | 0.7 | 4.8 |
| Perth | 1.5 | 3.6 |
| Hobart | 0.7 | 3.3 |
| Darwin | 0.5 | 3.9 |
| Canberra | 0.4 | 3.7 |
| National - headline | 0.6 | 4.1 |
| National - underlying* | 0.9 | 4.3 |

* Average of RBA trimmed mean and weighted median measures

DRIVERS OF CHANGE IN THE QUARTER

Nationally, the rise in the CPI during the December quarter reflected the impact of rising prices for Tobacco, New dwelling purchase by owner-occupiers, Domestic holiday travel and accommodation, Rents, and Medical and hospital services. The most significant offsetting price falls were for Furniture and International holiday travel and accommodation.*

In Adelaide, the rise in the CPI during the December quarter reflected the impact of rising prices for Tobacco, Domestic holiday travel and accommodation, New dwelling purchase by owner-occupiers, Other financial services and Medical and hospital services. These rises were partially offset by price falls for Electricity and International holiday travel and accommodation.*

* Ordered by contribution to growth (which reflects both growth in the component's price as well as its share of the overall CPI "basket of goods").

Next release of [this ABS data](#) (formerly cat. no. 6401.0) is 24 April 2024.

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

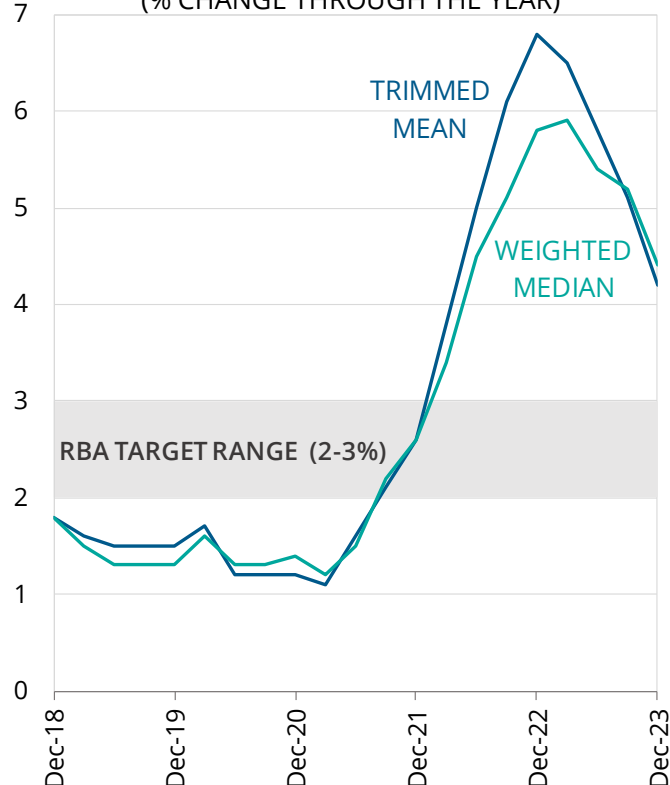


TABLE 2: Per cent changes in CPI by component group, December quarter 2023

| | % change in quarter | | % change in year | |
|---|---------------------|------------|------------------|------------|
| | National | Adelaide | National | Adelaide |
| Food and non-alcoholic beverages | 0.5 | 0.4 | 4.5 | 4.8 |
| Alcohol and Tobacco | 2.8 | 3.0 | 6.6 | 7.4 |
| Clothing and Footwear | 0.5 | -0.8 | -1.1 | -1.3 |
| Housing | 1.0 | 0.1 | 6.1 | 7.7 |
| <i>Rents</i> | 0.9 | -0.1 | 7.3 | 5.8 |
| <i>New dwelling purchase by owner-occupiers</i> | 1.5 | 1.4 | 5.1 | 8.3 |
| <i>Electricity</i> | 1.4 | -2.4 | 6.9 | 12.0 |
| Furnishings, household equipment and services | -1.0 | -1.2 | -0.2 | 0.0 |
| <i>Furniture</i> | -4.3 | -3.5 | -2.4 | -3.8 |
| Health | 0.6 | 1.5 | 5.1 | 5.6 |
| Transport | -0.2 | 0.2 | 3.7 | 4.2 |
| <i>Automotive Fuel</i> | -0.2 | 1.2 | 5.4 | 5.9 |
| Communication | 0.4 | 0.4 | 2.2 | 2.1 |
| Recreation and culture | 0.3 | 0.9 | 0.5 | 0.9 |
| <i>Domestic holiday travel and accommodation</i> | 3.9 | 8.3 | -1.6 | -1.2 |
| <i>International holiday travel and accommodation</i> | -1.5 | -4.1 | -3.5 | -1.7 |
| Education | -0.1 | 0.1 | 4.7 | 5.9 |
| Insurance and financial services | 1.7 | 4.4 | 8.1 | 9.4 |
| All CPI Groups | 0.6 | 0.7 | 4.1 | 4.8 |