SUMMARY

Annual Consumer Price Index (CPI) inflation to May 2026 was 4.0% nationally and 4.4% in Adelaide.

During the month of May 2026, the CPI fell by 0.7% both nationally and in Adelaide.

The quarterly trimmed mean rose by 0.8% in the March quarter 2026, to be 3.5% in annual terms. (On a monthly basis, the trimmed mean rose by 0.4% in May to be 3.6% in annual terms).

Note: The Reserve Bank of Australia monitors the trimmed mean, a national measure of 'underlying' inflation, in determining official interest rates. The RBA places particular emphasis on the quarterly series (rather than monthly). The trimmed mean reduces the impact of irregular or temporary price changes.

FURTHER ANALYSIS

The annual increase in the national CPI of 4.0% was a decrease from the 4.2% recorded in the previous month.

For Adelaide the annual rise of 4.4% was a decrease from the 4.6% recorded in the previous month — see Chart 1. Adelaide's annual increase was the second highest of the eight capital cities — see Table 1.

The ABS notes that when prices for some items change significantly, measures of underlying inflation like the Trimmed mean can give more insights into how inflation is trending. For example, Automotive fuel was excluded from the Trimmed mean in the months of March, April and May 2026.

On a monthly basis, national Automotive fuel prices fell 11.9 per cent in May, after falling by 7.0 per cent in April. These monthly falls include the impacts of the halving of the fuel excise on 1 April and lower world oil prices in recent weeks.

Table 1: **CPI Movement by Capital City** (%)

	Monthly	Annual
Sydney	-0.5	4.2
Melbourne	-0.9	3.5
Brisbane	-0.7	4.1
Adelaide	-0.7	4.4
Perth	-0.5	4.0
Hobart	-0.8	5.0
Darwin	-0.6	3.9
Canberra	-0.5	4.1
National - headline	-0.7	4.0

Chart 1: **Headline CPI Inflation**
(monthly, % change through the year)

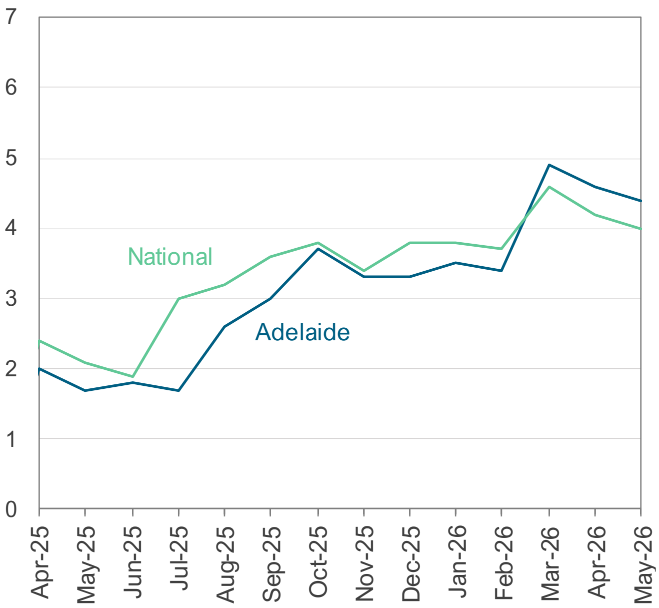
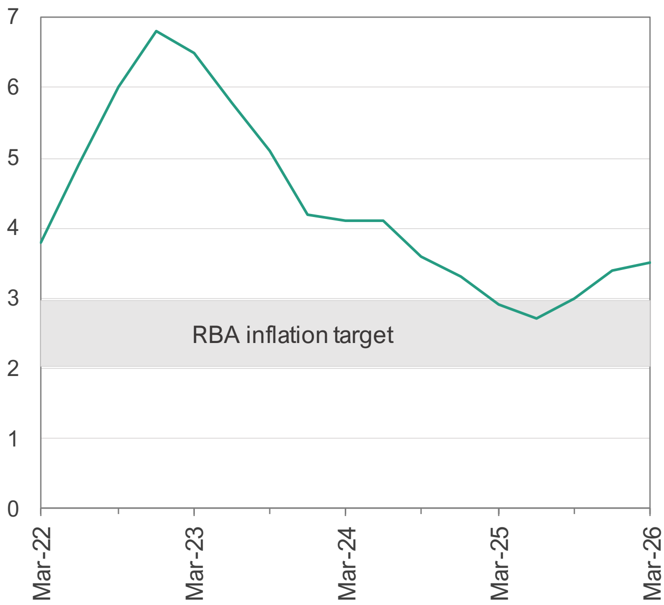


Chart 2: **Trimmed Mean Inflation**
(quarterly, % change through the year, national)



Revenue and Economics Branch
24 June 2026
OFFICIAL

Government of South Australia
Department of Treasury and Finance

DRIVERS OF CHANGE IN THE YEAR

Nationally, the rise in annual CPI inflation to May reflected the impact of rising prices for Electricity, New dwelling purchase by owner-occupiers, Medical and hospital services, Automotive fuel and Rents. The most significant offsetting price falls were for Urban transport fares and Pharmaceutical products.*

Next release of the Consumer Price Index is 29 July 2026.

In Adelaide, the rise in annual CPI inflation to May reflected the impact of rising prices for New dwelling purchase by owner-occupiers, Electricity, Medical and hospital services, Tobacco, and Rents. These rises were partially offset by price falls for Audio, visual and computing equipment and Pharmaceutical products.*

* 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").

Table 2: **Changes in selected CPI components, May 2026**

Group, Subgroup, Expenditure class	% change in month		% change in year	
	Adelaide	Australia	Adelaide	Australia
Food and non-alcoholic beverages	**0.5**	**0.6**	**2.8**	**3.3**
Meat and seafoods	1.2	1.1	5.4	5.4
Fruit and vegetables	1.0	1.1	1.4	2.0
Meals out and take away foods	0.2	0.5	2.5	4.0
Alcohol and tobacco	**0.6**	**0.9**	**5.6**	**4.7**
Alcoholic beverages	1.0	1.3	2.5	2.2
Tobacco	-0.1	-0.1	11.8	10.9
Clothing and footwear	**-2.8**	**-2.9**	**3.9**	**5.0**
Housing	**1.1**	**0.5**	**7.9**	**6.5**
Rents	0.6	0.4	4.2	3.6
New dwelling purchase by owner-occupiers	2.0	0.9	8.5	5.6
Utilities	0.8	-0.1	13.5	14.5
Water and sewerage	0.0	0.0	4.8	7.1
Electricity	1.2	0.9	17.6	21.1
Furnishings, household equipment and services	**0.1**	**0.0**	**2.1**	**1.7**
Furniture	1.7	0.4	0.4	1.6
Child care	-0.9	-0.4	11.7	9.4
Health	**-0.4**	**-0.5**	**4.1**	**3.8**
Medical, dental and hospital services	0.0	-0.1	5.3	4.8
Transport	**-4.4**	**-3.9**	**3.9**	**3.3**
Private motoring	-4.5	-3.9	3.9	4.1
Motor vehicles	-0.4	-1.0	0.4	0.2
Automotive Fuel	-13.1	-11.9	6.0	7.7
Communication	**0.2**	**0.2**	**2.1**	**2.1**
Recreation and culture	**-4.2**	**-3.1**	**2.1**	**2.4**
Holiday travel and accommodation	-9.4	-6.9	0.8	1.9
Domestic holiday travel and accommodation	-15.0	-12.1	0.9	3.0
International holiday travel and accommodation	-2.4	-0.8	0.6	0.7
Education	**0.0**	**0.0**	**4.3**	**4.8**
Insurance and financial services	**0.1**	**0.2**	**4.9**	**3.2**
Insurance	0.3	0.5	6.9	5.5
Financial services	0.0	0.0	3.9	2.5
Other financial services	0.0	0.0	4.0	2.6
All groups CPI	**-0.7**	**-0.7**	**4.4**	**4.0**

Note: Table 2 features all groups but only shows selected subgroups and expenditure classes. See here for the full list of components.