

SUMMARY

During the June quarter 2023:

- The Consumer Price Index (CPI) rose 0.8% nationally and rose 1.1% in Adelaide; and
- Annual CPI inflation to the June quarter 2023 was 6.0% nationally and 6.9% in Adelaide.

The average of the Reserve Bank of Australia's two measures of underlying inflation was 5.7% for the year to the June quarter 2023.

FURTHER ANALYSIS

The annual increase in the national CPI of 6.0% was down from 7.0% in the previous quarter.

For Adelaide the annual increase of 6.9% was down from 7.9% recorded in the previous quarter—see Chart 1. Adelaide's annual increase was the highest of the eight capital cities.

Above national average annual CPI increases were recorded for Adelaide, Sydney and Brisbane, while below national average increases were recorded for Canberra, Melbourne, Hobart, Darwin and Perth—see Table 1.

The Reserve Bank of Australia's measures of 'underlying' inflation show annual growth of 5.5% for the weighted median and 5.9% 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 rents recorded the strongest quarterly rise since 1988, *"reflecting low vacancy rates amid a tight rental market"*.

CHART 1:
CPI % CHANGE THROUGH THE YEAR

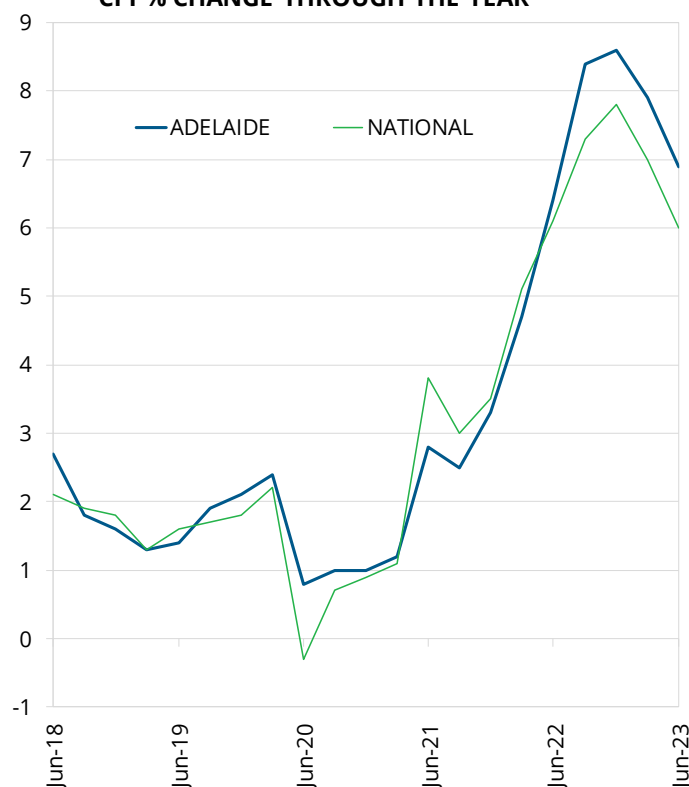


TABLE 1: CPI movement by Capital City

	Jun Qtr 23 vs Mar Qtr 23 (%)	Jun Qtr 23 vs Jun Qtr 22 (%)
Sydney	1.0	6.6
Melbourne	0.6	5.6
Brisbane	1.0	6.3
Adelaide	1.1	6.9
Perth	0.8	4.9
Hobart	0.4	5.5
Darwin	1.2	5.3
Canberra	1.1	5.7
National - headline	0.8	6.0
National - underlying*	1.0	5.7

* Average of RBA trimmed mean and weighted median measures

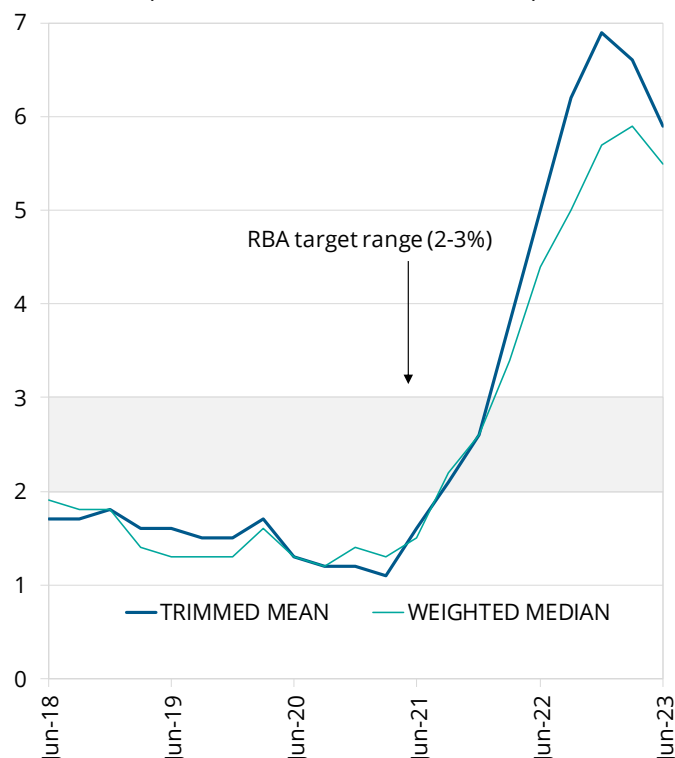
DRIVERS OF CHANGE IN THE QUARTER

Nationally, the rise in the CPI during the June quarter reflected the impact of rising prices for rents, international holiday travel and accommodation, other financial services, new dwelling purchase by owner-occupiers, take away and fast foods and furniture. The most significant offsetting price fall was for domestic holiday travel and accommodation followed by electricity.*

In Adelaide, the rise in the CPI during the June quarter reflected the impact of rising prices for new dwelling purchase by owner-occupiers, rents, international holiday travel and accommodation, take away and fast foods and household textiles. These rises were partially offset by price falls for domestic holiday travel and accommodation and other services in respect of motor vehicles.*

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

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



Next release of [this ABS data](#) (formerly cat. no. 6401.0) is 25 October 2023.

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

	% change in quarter		% change in year	
	National	Adelaide	National	Adelaide
Food and non-alcoholic beverages	1.6	1.7	7.5	8.0
Alcohol and tobacco	1.0	1.1	4.7	4.9
Clothing & Footwear	0.6	2.7	0.3	0.1
Housing	0.8	1.6	8.1	11.1
<i>Rents</i>	2.5	2.5	6.7	6.9
<i>New dwelling purchase by owner-occupiers</i>	1.0	2.4	7.8	15.2
<i>Electricity</i>	-1.8	-0.4	13.4	12.1
Furnishings, household equipment & services	2.1	2.3	6.3	6.9
<i>Furniture</i>	4.9	1.7	6.9	9.0
Health	-0.1	0.0	4.9	4.3
Transport	-0.1	0.5	1.9	1.7
<i>Automotive Fuel</i>	-0.7	-0.2	-3.6	-3.5
Communication	-0.4	-0.5	0.7	0.5
Recreation and culture	-0.2	0.3	6.8	6.9
<i>Domestic holiday travel and accommodation</i>	-7.2	-5.7	13.9	14.3
<i>International holiday travel and accommodation</i>	6.2	6.6	22.5	27.0
Education	-0.2	0.1	5.2	6.3
Insurance & financial services	3.0	2.1	8.5	8.3
All Groups	0.8	1.1	6.0	6.9