Canberra CPI rose by 0.7 per cent in the September quarter 2019

Canberra (Headline)\(^1\)
In the September quarter 2019, CPI growth for Canberra was 0.7 per cent. Through the year\(^2\) to the September quarter 2019, the CPI in Canberra rose 1.8 per cent.

Australia\(^3\) (Headline)
In the September quarter 2019, CPI growth was 0.5 per cent. Through the year to the September quarter 2019, the CPI rose 1.7 per cent.

| Consumer Price Index (CPI), Canberra and Australia, September Quarter 2019 |
|-----------------|-------------|-----|
|                  | Index       | Change (%) |
|                  |             | Quarter | tty\(^2\) |
| Canberra         | 114.3       | 0.7     | 1.8      |
| Australia        | 115.4       | 0.5     | 1.7      |

*Index reference period: 2011–12 = 100.0.*

Commentary

Canberra

In the September quarter 2019, the primary contributor to the CPI in Canberra was *International holiday, travel and accommodation* (up 6.5 per cent), contributing 0.3 of a percentage point to headline CPI growth. This was as a result of increased prices for travel to Europe and America during their high tourist season. *Property rates and charges* was up 7.9 per cent, due mostly to tax reform, whereby general rates will progressively replace stamp duty, contributing 0.2 of a percentage point. *Domestic holiday, travel and accommodation* was up 3.2 per cent, contributing 0.1 of a percentage point.

*Other financial services* was the major detractor to Canberra’s CPI, down by 7.6 per cent, due to the introduction of the home buyer concession scheme, detracting 0.3 of a percentage point from the headline CPI. Other major detractors were *Games, toys and hobbies* (down 3.6 per cent) and *Fruits* (down 3.1 per cent), detracting a combined 0.1 of a percentage point.

Most CPI expenditure classes contributed positively to the growth in headline CPI through the year to the September quarter 2019. The main contributors were *Tobacco* (up 15.4 per cent, contributing 0.3 of a percentage point), *International holiday, travel and accommodation* (up 6.0 per cent, contributing 0.2 of a percentage point) and *Rents* (up 2.9 per cent, also contributing 0.2 of a percentage point).

The main detractors to the through the year growth in the Canberra’s CPI are *Other financial services* (down 7.3 per cent, detracting 0.3 of a percentage point), *Automotive fuel* (down 6.3 per cent, detracting 0.2 of a percentage point) and *Telecommunication equipment and services* (down 4.3 per cent, detracting 0.1 of a percentage point).

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\(^1\) The Headline CPI, or All groups CPI, measures the price change of a basket of goods and services representative of those acquired by metropolitan private households in the eight capital cities. There are also a number of ways to measure CPI to determine the level of underlying inflation, for such purposes as monetary policy making by the Reserve Bank of Australia.

\(^2\) Through the year (tty) is the change from the same period in the previous year.

\(^3\) Weighted average of eight capital cities.
Australia

The growth in headline CPI for Australia in the September quarter 2019 was largely driven by *International holiday, travel and accommodation* (up 6.1 per cent), contributing 0.2 of a percentage point. This was followed by *Tobacco* (up 3.4 per cent), *Property rates and charges* (up 2.5 per cent) and *Child care* (also up 2.5 per cent), all contributing 0.2 of a percentage point. These increases were partially offset by falls in prices for *Automotive fuel* (down 2.0 per cent), *Fruit* (down 3.1 per cent) and *Vegetables* (down 2.5 per cent), all detracting 0.1 of a percentage point from the headline growth.

*Tobacco* (up 15.1 per cent) was the largest contributor to the headline CPI growth *through the year* to the September quarter 2019, contributing 0.4 of a percentage point. This was followed by *International holiday, travel and accommodation* (up 5.8 per cent) and *Medical and hospital services* (up 3.8 per cent), each contributing 0.2 of a percentage point. These increases were partially offset by falls in prices for *Automotive fuel* (down 3.9 per cent, detracting 0.1 of a percentage point) and *Telecommunication equipment and services* (down 4.4 per cent, detracting 0.1 of a percentage point).

**Capital city comparisons**

Canberra CPI growth of 0.7 per cent in the September quarter 2019 was the equal highest of all capital cities, along with Adelaide (0.7 per cent). *Through the year* to the September quarter 2019, Canberra (1.8 per cent) recorded the third highest inflation rate of all capital cities and slightly above the national average of 1.7 per cent.

**CPI Movements, Canberra and Australia**

*Source: ABS Cat. No. 6401.0; Index reference period: 2011–12 = 100.0.*
Contribution to CPI Growth by Expenditure Group, Canberra, September Quarter 2019

Contribution to CPI Growth by Expenditure Group, Australia, September Quarter 2019

Source: ABS Cat. No. 6401.0; Index reference period: 2011–12 = 100.0.