

Consumer Price Index (CPI) – December Quarter 2019

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ACT
Government

Chief Minister, Treasury and
Economic Development

Canberra CPI rose by 0.6 per cent in the December quarter 2019

Canberra (Headline)¹

In the December quarter 2019, CPI growth for Canberra was 0.6 per cent. Through the year² to the December quarter 2019, the CPI in Canberra rose by 1.7 per cent.

Australia³ (Headline)

In the December quarter 2019, CPI growth was 0.7 per cent. Through the year to the December quarter 2019, the CPI rose by 1.8 per cent.

Consumer Price Index (CPI), Canberra and Australia, December Quarter 2019

	Index	Change (%)	
		Quarter	tty ²
Canberra	115.0	0.6	1.7
Australia	116.2	0.7	1.8

Index reference period: 2011–12 = 100.0.

Commentary

Canberra

In the **December quarter 2019**, the primary contributor to the CPI in Canberra was *Domestic holiday, travel and accommodation* (up 6.4 per cent), contributing 0.2 of a percentage point to headline CPI growth. This was as a result of increased prices in the lead up to the peak summer holiday period. *Tobacco* was up 8.4 per cent due to the annual tobacco excise tax increase of 12.5 per cent and the biannual increase based on Average Weekly Ordinary Time Earnings (AWOTE) indexation applied on 1 September 2019, contributing 0.2 of a percentage point. *Automotive fuel* was up 3.1 per cent as higher world oil prices flowed through to consumers, contributing 0.1 of a percentage point. *Fruit* was up 8.7 per cent due to drought conditions and lower seasonal supply, contributing 0.1 of a percentage point.

International holiday, travel and accommodation was the major detractor from the Canberra's CPI, down by 2.6 per cent due to the off-peak tourist seasons in Europe and America, detracting 0.1 of a percentage point from the headline CPI. Another major detractor was *Garment for women* (down 4.7 per cent) due to sales events throughout the quarter, detracting 0.1 of a percentage point.

Most CPI expenditure classes contributed positively to the growth in headline CPI **through the year** to the December quarter 2019. The main contributors were *Tobacco* (up 14.0 per cent, contributing 0.3 of a percentage point), *Rents* (up 2.7 per cent, contributing 0.2 of a percentage point) and *Medical and hospital services* (up 3.8 per cent, contributing 0.2 of a percentage point).

The main detractors to the through the year growth in the Canberra's CPI were *Automotive fuel* (down 6.1 per cent, detracting 0.2 of a percentage point) and *Other financial services* (down 5.6 per cent, detracting 0.2 of a percentage point).

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 **December quarter 2019** was largely driven by *Tobacco* (up 8.4 per cent, contributing 0.3 of a percentage point). This was followed by *Domestic holiday, travel and accommodation* (up 7.3 per cent, contributing 0.3 of a percentage point), *Automotive fuel* (up 4.4 per cent, contributing 0.2 of a percentage point) and *Fruit* (up 6.8 per cent, contributing 0.1 of a percentage point). These increases were partially offset by falls in prices for *International holiday, travel and accommodation* (down 2.9 per cent), *Garment for women* (down 2.5 per cent) and *Wine* (down 1.6 per cent), all combined detracting 0.2 of a percentage point from the headline growth.

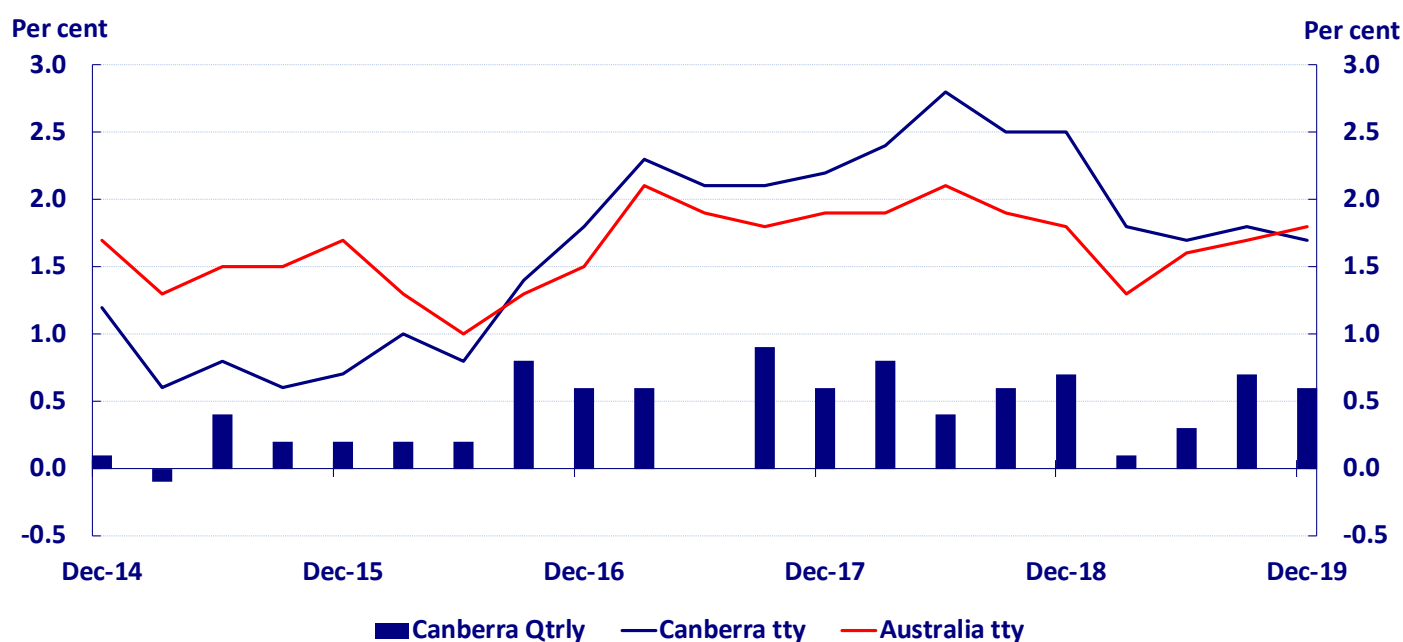
Most CPI expenditure classes contributed positively to the **through the year** growth in the December quarter 2019, with the largest contributor was *Tobacco* (up 14.0 per cent, contributing 0.4 of a percentage point). This was followed by *Medical and hospital services* (up 3.6 per cent, contributing 0.2 of a percentage point).

The detractors from the CPI growth in the through the year terms were *Audio, visual and computing equipment* (down 4.9 per cent, detracting 0.1 of a percentage point), *Telecommunication equipment and services* (down 3.9 per cent, detracting 0.1 of a percentage point) and *Electricity* (down 3.5 per cent, detracting 0.1 of a percentage point).

Capital city comparisons

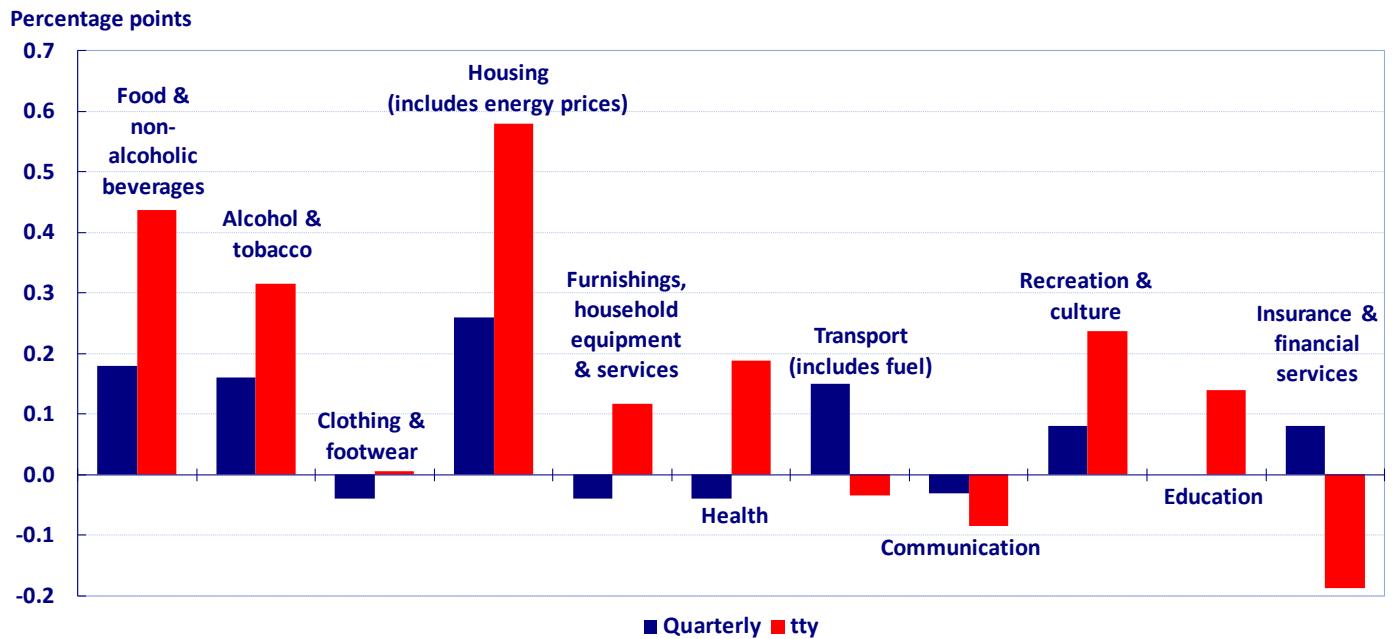
Canberra CPI growth of 0.6 per cent in the **December quarter 2019** was the third lowest of all capital cities. **Through the year** to the December quarter 2019, Canberra (1.7 per cent) recorded the third lowest inflation rate of all capital cities and slightly below the national average of 1.8 per cent.

CPI Movements, Canberra and Australia



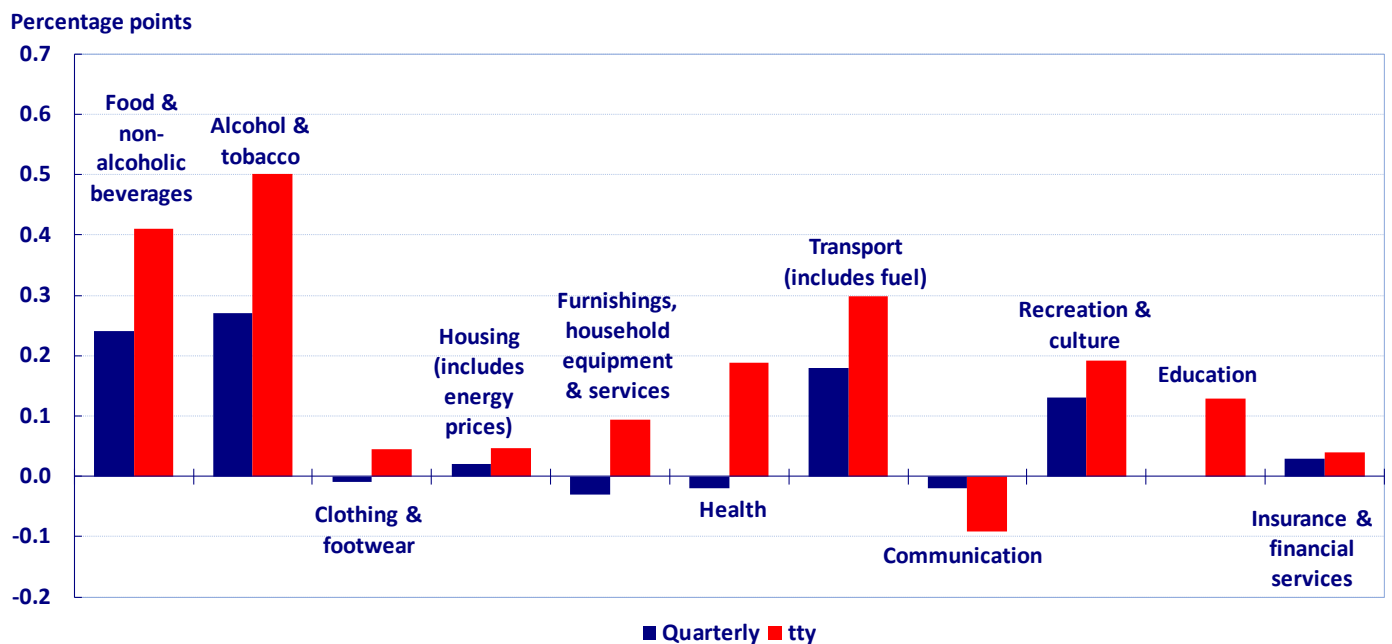
Source: ABS Cat. No. 6401.0; Index reference period: 2011–12 = 100.0.

Contribution to CPI Growth by Expenditure Group, Canberra, December Quarter 2019



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



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