Summary

Headline\(^1\) CPI inflation change (quarterly):
Brisbane\(^2\) –0.1%
Australia\(^2\) –0.1%

Headline CPI inflation change (annual):
Brisbane 3.4%
Australia 3.3%

Market sector goods and services (core CPI) inflation change (Australia):
Quarter 0.7%
Annual 2.3%

\(^1\) Headline CPI refers to All Groups.
\(^2\) Australia refers to the weighted average of the eight capital cities.

Commentary

- Brisbane’s headline consumer price index (CPI) declined 0.1% in December quarter 2006, but remained 3.4% higher over the year. Darwin recorded the highest increase in headline consumer prices in the December quarter 2006 (0.5%), while Adelaide, Hobart and Canberra recorded the largest decline (–0.3%) (Table 1).

- The decline in Brisbane’s headline consumer price index was the first quarterly decline recorded since March quarter 1999.

- Compared with the Australian average, Brisbane recorded stronger positive contribution to the CPI in Food, Housing, Household Contents and Services, Communication, Education and Finance and Insurance Services for the quarter. Clothing and Footwear and Health recorded larger negative contribution to the CPI than nationally (Figure 1).

- In December quarter 2006, the Housing group made the largest positive contribution to growth in the quarter (0.1 percentage point). Within this category, Rent increased by 1.3% in the quarter.

- In December quarter 2006, the Transportation group made the largest negative contribution to growth in the quarter (–0.4 percentage point). Within this category, Automotive Fuel decreased by 12.2% in the quarter.

- Australia's price index for market sector goods and services, which excludes more volatile items, rose 0.7% in the December quarter, with annual growth increasing to 2.3%. Higher growth in this underlying inflation measure was explained by the fact that price rises in non-core CPI items (such as vegetables, petrol, pharmaceuticals and education) were largely responsible for negative headline price inflation in December quarter.