

INFORMATION BRIEF
CONSUMER PRICE INDEX
DECEMBER QTR 2006

ABS 6401.0

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Summary

Headline¹ CPI inflation change (quarterly):

Brisbane -0.1%

Australia² -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.

Table 1: Percentage change in the CPI

Capital City	December quarter 2006		September quarter 2006	
	Quarterly	Yearly	Quarterly	Yearly
Sydney	-0.2	3.2	0.9	3.7
Melbourne	-0.1	2.9	0.7	3.4
Brisbane	-0.1	3.4	0.8	4.4
Adelaide	-0.3	3.0	1.1	3.8
Perth	0.4	4.4	1.1	4.8
Hobart	-0.3	2.5	0.7	3.3
Darwin	0.5	5.0	1.7	4.9
Canberra	-0.3	3.1	0.7	4.2
Australia	-0.1	3.3	0.9	3.9

Figure 1: Quarterly CPI contributions, by group, December quarter 2006

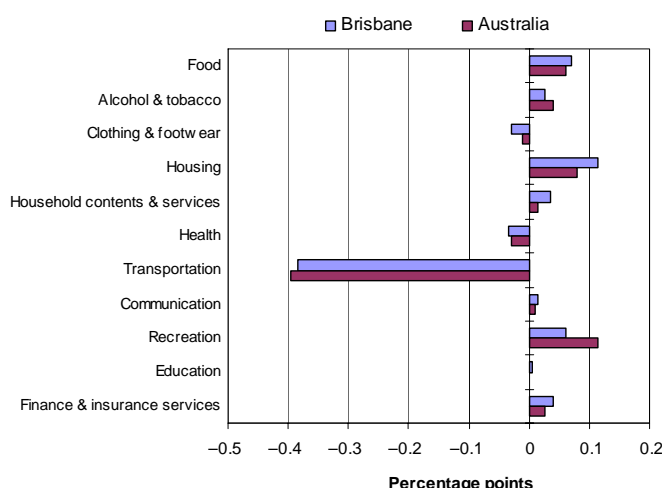


Figure 2: CPI annual change, quarterly, Australia

