

Summary

Headline¹ CPI inflation change (quarterly):

Brisbane	1.1%
Australia ²	0.9%

Headline CPI inflation change (annual):

Brisbane	3.9%
Australia	3.0%

Market sector goods and services (core CPI) inflation change (Australia):

Quarter	1.1%
Annual	3.0%

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) increased 1.1% in December quarter 2007, remaining 3.9% higher over the year. This result was similar to market expectations. Queensland recorded the highest increase in headline consumer prices in December quarter 2007 (1.1%) (Table 1).
- Compared with the Australian average for the quarter, Brisbane recorded stronger contributions to the CPI for the quarter in all groups where prices rose except *Alcohol and tobacco*. The main contributors to the increase in the Brisbane CPI were the *Housing* and *Transportation* groups (Figure 1).
- In December quarter 2007, the *Housing* group made the largest contribution to growth in the quarter (0.43 of a percentage point). Within this category, *House purchases* increased 3.0% in the quarter.
- In December quarter 2007, the *Food* group made the largest deduction from growth in the quarter (0.10 of a percentage point). Within this category, *Fruit* decreased by 18.5% in the quarter.
- Australia's CPI for market sector goods and services, which excludes more volatile items, rose 1.1% in the December quarter, with annual growth of 3.0%.

Table 1: Percentage change in the CPI

Capital City	December quarter 2007		September quarter 2007	
	Quarterly	Yearly	Quarterly	Yearly
Sydney	0.9	2.4	0.4	1.3
Melbourne	1.0	3.3	0.8	2.1
Brisbane	1.1	3.9	0.9	2.7
Adelaide	1.0	2.7	0.7	1.4
Perth	0.8	3.0	0.6	2.6
Hobart	0.8	2.9	0.3	1.8
Darwin	0.3	2.9	1.2	3.2
Canberra	1.0	3.3	0.8	2.1
Australia	0.9	3.0	0.7	1.9

Figure 1: Quarterly CPI contributions, by group, December quarter 2007

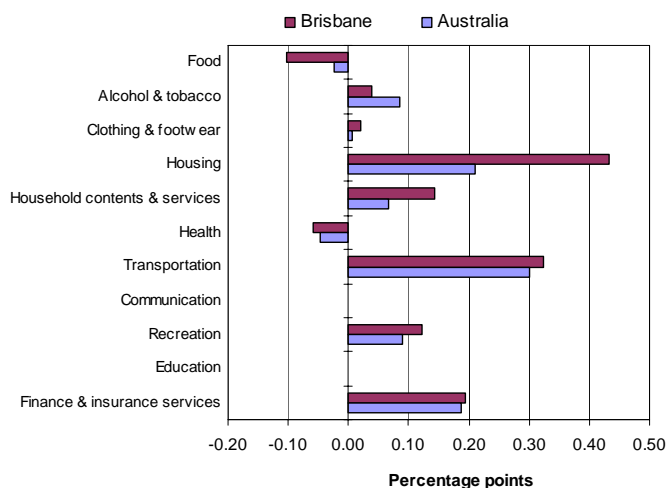


Figure 2: CPI annual change, quarterly, Australia

