

Summary

Headline¹ CPI inflation change (quarterly):

Brisbane	0.5%
Australia ²	0.4%

Headline CPI inflation change (annual):

Brisbane	3.0%
Australia	2.7%

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

Quarter	0.1%
Annual	1.6%

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 0.5% in December quarter 2010, to be 3.0% higher over the year. In annual terms, Brisbane recorded the second-largest increase in headline consumer prices for all capital cities in Australia, behind Melbourne, which rose 3.1% over the year (Table 1).
- Compared with the Australian average for December quarter 2010, Brisbane recorded stronger contributions from the CPI groups of *Food*, *Alcohol and tobacco* and *Transportation*. These were partly offset by detractions from the *Health*, *Clothing and footwear* and *Finance and insurance services* groups (Figure 1).
- For Brisbane, the *Food* group made the largest contribution to inflation in the December quarter (0.38 of a percentage point). Within the *Food* category, *Fruit* increased 17.6% in the quarter.
- For Brisbane, the *Health* group recorded the largest detraction from inflation in the December quarter (-0.07 of a percentage point). Within the *Health* category, *Pharmaceuticals* decreased by 6.6% in the quarter due to the effect of the Pharmaceutical Benefits Scheme safety net adjustment.
- Australia's CPI for market sector goods and services, which excludes more volatile items, increased 0.1% in the December quarter 2010, with annual inflation of 1.6%.

Table 1: Percentage change in the CPI

Capital city	December quarter 2010		September quarter 2010	
	Quarterly	Yearly	Quarterly	Yearly
Sydney	0.3	2.4	0.8	2.6
Melbourne	0.6	3.1	0.6	3.1
Brisbane	0.5	3.0	1.0	2.9
Adelaide	0.3	2.5	0.9	2.6
Perth	0.1	2.6	0.5	3.1
Hobart	0.1	2.3	1.0	2.8
Darwin	-0.1	2.4	1.1	2.3
Canberra	0.5	2.1	0.6	2.1
Australia	0.4	2.7	0.7	2.8

Figure 1: Quarterly CPI contributions, by group, December quarter 2010

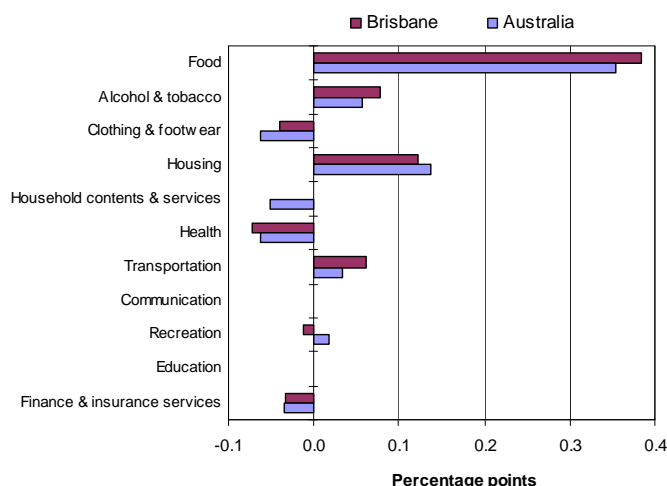


Figure 2: CPI annual change, Australia

