

SUMMARY

During the March quarter 2024:

- The Consumer Price Index (CPI) rose 1.0% nationally and rose 0.7% in Adelaide; and
- Annual CPI inflation to the March quarter 2024 was 3.6% nationally and 4.3% in Adelaide.

The average of the Reserve Bank of Australia's two measures of underlying inflation was 4.2% for the year to the March quarter 2024.

FURTHER ANALYSIS

The annual increase in the national CPI of 3.6% was down from 4.1% in the previous quarter.

For Adelaide the annual increase of 4.3% was down from 4.8% recorded in the previous quarter—see Chart 1. Adelaide's annual increase was the highest of the eight capital cities.

Annual CPI increases recorded in Adelaide and Sydney were above the national increase, while increases recorded for Melbourne, Brisbane, Perth, Darwin, Canberra and Hobart were equal to or below the national increase—see Table 1.

The Reserve Bank of Australia's measures of 'underlying' inflation show annual growth of 4.4% for the weighted median and 4.0% for the trimmed mean—see Chart 2. The RBA monitors these two series as part of the process of determining official interest rates.

The ABS notes that Education fees increased with the start of the calendar year, showing the strongest quarterly rise since 2012. Prices of Medical and hospital services also typically rise in the March quarter as health services providers review their consultation fees and Pharmaceutical Benefit Scheme Safety Net thresholds are reset. The ABS highlights that this quarter marks the fifth in a row where annual trimmed mean inflation fell.

CHART 1:

CPI

(% CHANGE THROUGH THE YEAR)

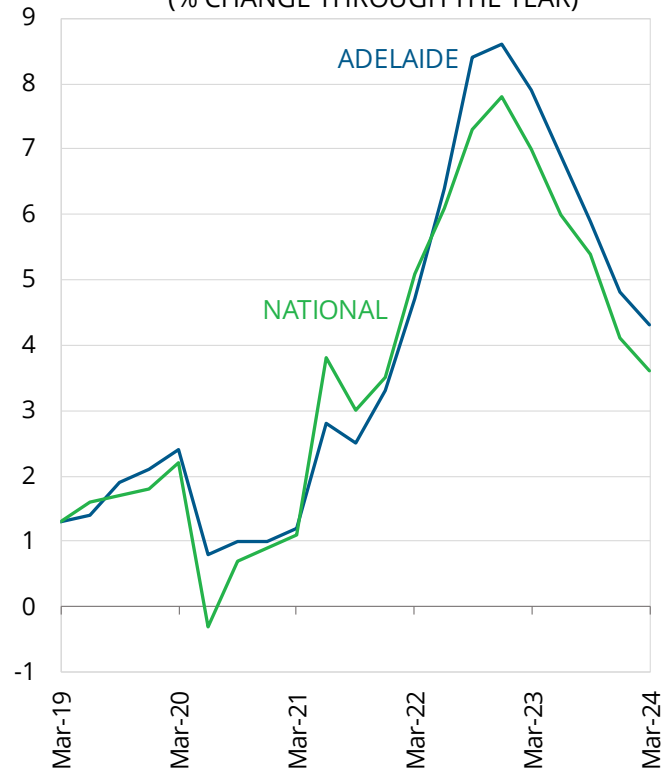


TABLE 1: CPI movement by Capital City

	Mar Qtr 24 vs Dec Qtr 24 (%)	Mar Qtr 24 vs Mar Qtr 23 (%)
Sydney	1.0	3.8
Melbourne	1.0	3.6
Brisbane	1.1	3.4
Adelaide	0.7	4.3
Perth	0.6	3.4
Hobart	1.0	3.1
Darwin	0.7	3.3
Canberra	1.0	3.3
National - headline	1.0	3.6
National - underlying*	1.1	4.2

* Average of RBA trimmed mean and weighted median measures

DRIVERS OF CHANGE IN THE QUARTER

Nationally, the rise in the CPI during the March quarter reflected the impact of rising prices for Rents, Secondary education, Medical and hospital services, Tertiary education, and New dwelling purchase by owner-occupiers. The most significant offsetting price fall was for International holiday travel and accommodation and Furniture.*

In Adelaide, the rise in the CPI during the March quarter reflected the impact of rising prices for Rents, Tertiary education, Insurance, New dwelling purchase by owner-occupiers and Domestic holiday travel and accommodation. These rises were partially offset by price falls for International holiday travel and accommodation and Automotive fuel.*

* Ordered by contribution to growth (which reflects both growth in the components price as well as its share of the overall CPI "basket of goods").

Next release of [this ABS data](#) (formerly cat. no. 6401.0) is 31 July 2024.

CHART 2:
"UNDERLYING" INFLATION MEASURES
(% CHANGE THROUGH THE YEAR)

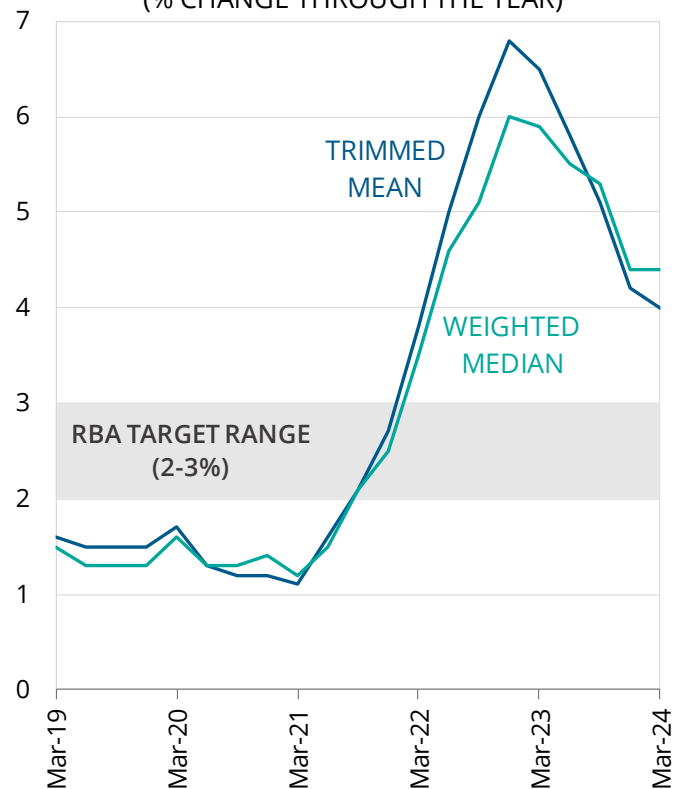


TABLE 2: Per cent changes in CPI by component group, March quarter 2024

	% change in quarter		% change in year	
	National	Adelaide	National	Adelaide
Food and non-alcoholic beverages	0.9	0.8	3.8	3.6
Alcohol and Tobacco	0.9	0.4	6.3	6.6
Clothing and Footwear	-1.1	-1.7	0.4	0.8
Housing	0.7	1.2	4.9	7.3
<i>Rents</i>	2.1	2.2	7.8	6.4
<i>New dwelling purchase by owner-occupiers</i>	1.1	1.0	5.0	6.6
<i>Electricity</i>	-1.7	1.1	2.0	13.5
Furnishings, household equipment and services	-0.1	-0.4	0.2	0.2
<i>Furniture</i>	-5.6	-4.7	-3.3	-3.5
Health	2.8	1.9	4.1	4.1
Transport	0.5	0.0	3.6	3.8
<i>Automotive Fuel</i>	-1.0	-1.9	5.2	5.2
Communication	-0.3	-0.4	1.8	1.6
Recreation and culture	-0.1	-0.3	0.2	0.5
<i>Domestic holiday travel and accommodation</i>	1.3	2.3	-4.7	-1.2
<i>International holiday travel and accommodation</i>	-5.9	-5.9	-1.1	-2.0
Education	5.9	4.3	5.2	4.5
Insurance and financial services	2.0	2.9	8.2	11.0
All CPI Groups	1.0	0.7	3.6	4.3