

SUMMARY

During the March quarter 2019:

- The Consumer Price Index (CPI) remained unchanged nationally and rose 0.1% in Adelaide; and
- Annual CPI inflation to the March quarter 2019 was 1.3% both nationally and in Adelaide.

The average of the Reserve Bank of Australia's two measures of underlying inflation was 1.4% for the year to the March quarter 2019.

FURTHER ANALYSIS

The annual increase in the national CPI of 1.3% was down from 1.8% in the previous quarter.

For Adelaide the annual increase of 1.3% was down from 1.6% recorded in the previous quarter—see Chart 1. Adelaide's annual increase was the equal fourth lowest (with Sydney) of the eight capital cities.

The largest annual CPI increase was recorded for Hobart (up 2.1%), followed by Canberra (up 1.8%) Brisbane (up 1.5%) and Sydney and Adelaide (both up 1.3%). Below national average increases were recorded for Melbourne (up 1.2%), Perth (up 1.1%) and Darwin (up 0.4%)—see Table 1.

**CHART 1:
CPI % CHANGE THROUGH THE YEAR**

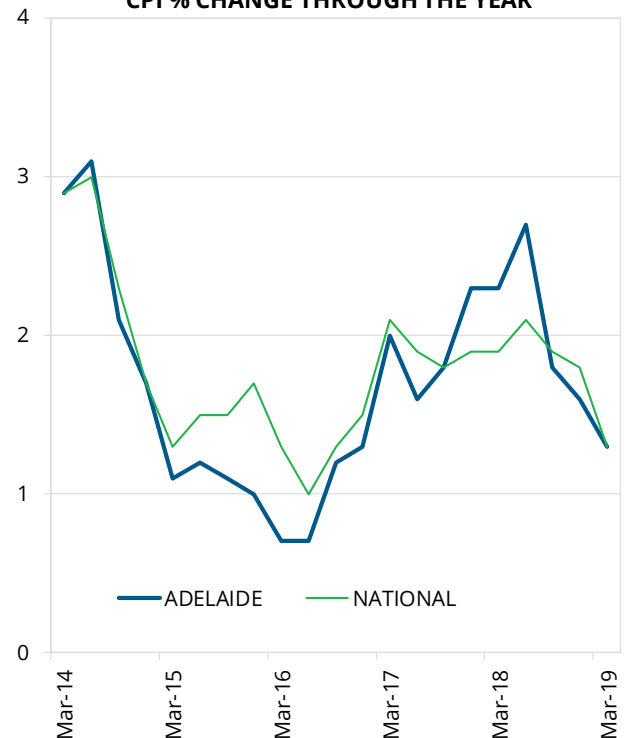


TABLE 1: CPI movement by Capital City

| | Mar Qtr 19 vs Dec Qtr 18 (%) | Mar Qtr 19 vs Mar Qtr 18 (%) |
|-------------------------------|------------------------------------|------------------------------------|
| Sydney | -0.1 | 1.3 |
| Melbourne | 0.1 | 1.2 |
| Brisbane | 0.1 | 1.5 |
| Adelaide | 0.1 | 1.3 |
| Perth | -0.1 | 1.1 |
| Hobart | -0.2 | 2.1 |
| Darwin | -0.8 | 0.4 |
| Canberra | 0.1 | 1.8 |
| National - headline | 0.0 | 1.3 |
| National - underlying* | 0.2 | 1.4 |

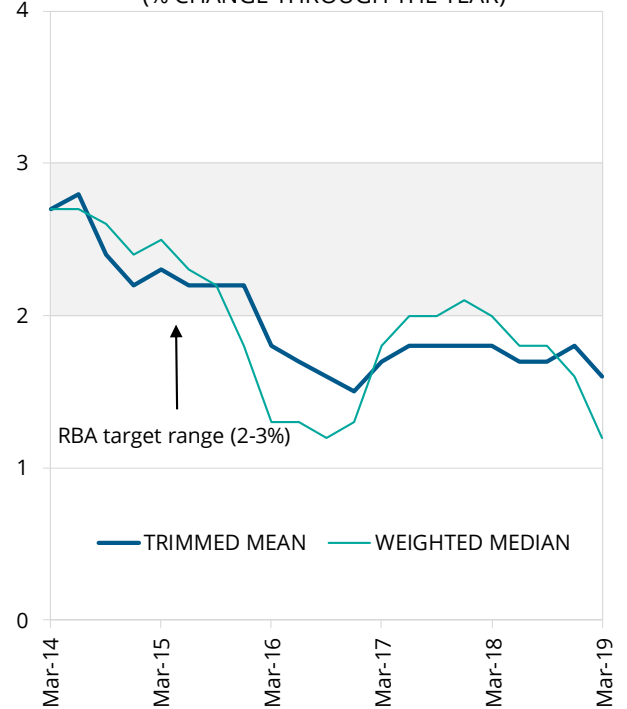
* Average of RBA trimmed mean and weighted median measures

Nationally, the rise in the CPI during the March quarter reflected the impact of rising prices for Vegetables (up 7.7%), Secondary education (up 4.2%), Motor vehicles (up 2.4%), Medical and hospital services (up 1.3%), Pharmaceutical products (up 5.0%) and Take away and fast foods (up 0.9%). The most significant offsetting price fall was for Automotive fuel (down 8.7%) followed by Domestic holiday travel and accommodation (down 3.8%) and international holiday, travel and accommodation (down 2.1%).

In Adelaide, the rise in the CPI during the March quarter reflected the impact of rising prices for Vegetables (up 6.1%), Pharmaceutical products (up 4.2%), Fruit (up 3.7%), Tertiary education (up 1.8%) and New dwelling purchase by owner-occupiers (up 0.4%). These rises were partially offset by price falls for Automotive fuel (down 7.8%) and Domestic holiday travel and accommodation (down 3.1%), international holiday travel and accommodation (down 1.5%) and audio, visual and computing equipment (down 2.6%).

The Reserve Bank of Australia's measures of 'underlying' inflation show annual growth of 1.2% for the weighted median and 1.6% for the trimmed mean. The RBA monitors these two series as part of the process of determining official interest rates. The RBA pays particular attention to underlying inflation ensuring it is in line with the medium term target of 2-3% per annum —See Chart 2.

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



Next release of ABS cat. no. 6401.0 is 31 July 2019

TABLE 2: Per cent changes in CPI by component group, March quarter 2019

| | National % change In quarter | Adelaide % change In quarter | National % change In year | Adelaide % change In year |
|---|------------------------------------|------------------------------------|---------------------------------|---------------------------------|
| Food and non-alcoholic beverages | 1.3 | 1.5 | 2.3 | 2.3 |
| Alcohol and tobacco | 0.3 | 0.1 | 6.4 | 6.2 |
| Clothing & Footwear | -1.4 | -0.1 | -0.1 | 1.3 |
| Housing | 0.0 | 0.2 | 0.8 | -0.3 |
| Furnishings, household equipment & services | -0.4 | -0.6 | -0.8 | -0.5 |
| Health | 1.9 | 1.0 | 3.1 | 3.2 |
| Transport | -1.7 | -2.0 | 0.0 | -0.1 |
| Communication | -0.6 | -0.5 | -4.6 | -4.6 |
| Recreation and culture | -1.5 | -1.0 | 0.9 | 1.6 |
| Education | 2.7 | 1.9 | 2.9 | 1.8 |
| Insurance & financial services | -0.2 | 0.7 | 1.1 | 2.9 |
| All Groups | 0.0 | 0.1 | 1.3 | 1.3 |