



Consumer Price Index, December 2014

Key Facts

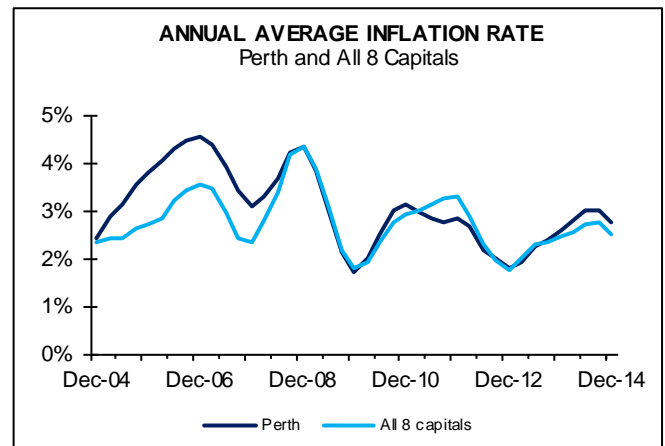
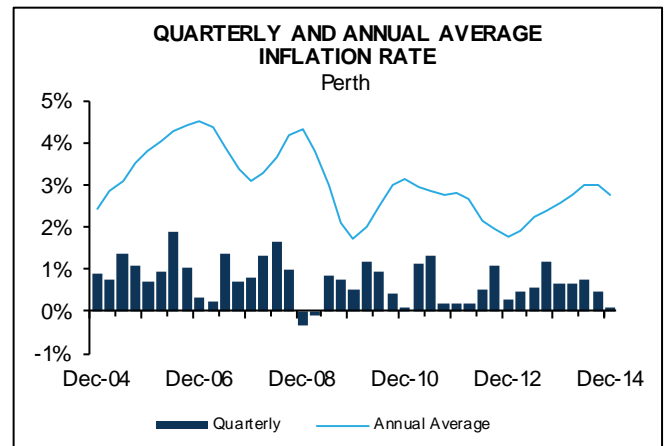
Capital Cities

Perth

- Perth's Consumer Price Index increased by 0.1% over the quarter, and rose by 2.8% in annual average terms¹ to December 2014. In year-ended terms², Perth's CPI grew by 2.0%.
- The main contributors to the quarterly growth in Perth's CPI were 'holiday travel and accommodation' (mainly domestic) and 'tobacco'.
- The main detractors from Perth's quarterly CPI growth were 'automotive fuel', 'motor vehicles' and 'audio, visual and computing equipment'.

Australia

- Nationally, the Consumer Price Index rose by 0.2% over the quarter and increased by 2.5% in annual average terms to December 2014. In year-ended terms, the national CPI grew by 1.7%.
- The main contributors to the national quarterly growth were 'holiday travel and accommodation' (mainly domestic) and 'tobacco'.
- The main components that detracted from national growth were 'automotive fuel' and 'audio, visual and computing equipment'.
- In annual average terms to December, the largest increase in CPI by capital city was 2.9% in Darwin. The smallest increase was 2.0% in Canberra.



INFLATION RATES BY CITY
December 2014

	% Change	
	Quarter	Annual Average
Sydney	0.2%	2.4%
Melbourne	0.2%	2.4%
Brisbane	0.2%	2.7%
Adelaide	0.3%	2.5%
Perth	0.1%	2.8%
Hobart	0.1%	2.1%
Darwin	0.2%	2.9%
Canberra	0.1%	2.0%
All 8 capitals	0.2%	2.5%

¹ As of this release, annual growth rates referred to in this note will be in annual average terms (which compares the average of the latest four quarters of data to the average of the previous four quarters). The annual average growth measure is consistent with forecast growth published in the State budget and related papers.

² Year-ended growth (which compares the latest quarter of data to the same quarter a year earlier) is also reported for comparison with figures quoted in the media and financial markets (which are often in year-ended terms).

INFLATION RATES BY CATEGORY

December 2014

	Perth		All 8 Capitals	
	% Change		% Change	
	Quarter	Annual Average	Quarter	Annual Average
Food/non-alcoholic beverages	0.2%	2.4%	0.1%	2.5%
Alcohol/tobacco	1.8%	7.3%	1.7%	7.1%
Clothing/footwear	0.4%	1.1%	0.1%	-1.1%
Housing	0.4%	3.4%	0.5%	3.0%
Furnishings/household contents	0.3%	1.0%	0.5%	0.7%
Health	-0.9%	3.8%	-0.9%	4.5%
Transport	-2.9%	1.3%	-2.2%	0.8%
Communication	-0.1%	-0.9%	-0.1%	-0.8%
Recreation/culture	1.2%	2.4%	1.0%	2.2%
Education	0.0%	7.1%	0.0%	5.2%
Insurance/Finance	0.4%	2.0%	1.0%	1.3%
All groups	0.1%	2.8%	0.2%	2.5%

Categories

Price Changes

- Between the September and December quarters, the largest increase in prices by category in Perth was 1.8% for alcohol and tobacco. The largest decrease was 2.9% for transport.
- In annual average terms to December 2014, the largest increase in prices in Perth was 7.3% for alcohol and tobacco. The largest fall was 0.9% for communication.
- Across all eight capital cities, the largest quarterly rise in prices by category was 1.7% for alcohol and tobacco. The largest decrease was 2.2% for transport.
- In annual average terms to December 2014, the largest rise in prices by category was 7.1% for alcohol and tobacco. The largest decrease nationally was 1.1% for clothing and footwear.

Underlying Inflation

- Both the Australian Bureau of Statistics and the Reserve Bank of Australia produce estimates of underlying inflation that attempt to strip out items whose prices tend to be volatile, and the effects of abnormal price movements.
- The Australian Bureau of Statistics' index of prices 'excluding volatile items' increased by 2.4% in annual average terms and by 0.6% over the quarter to December 2014.
- The Reserve Bank of Australia's estimate of trimmed mean inflation was 0.7% over the quarter and 2.5% on an annual basis in the December quarter.
- The Bank's weighted median inflation estimate was 0.7% for the quarter and 2.6% annualised.

ANALYTICAL SERIES

December 2014

	% Change	
	Quarter	Annual Average
Excl. housing/insurance	0.0%	2.4%
Excl. volatile items	0.6%	2.4%
Market goods/services	0.4%	1.9%
Tradables	-0.6%	2.1%
Non-tradables	0.6%	2.8%
RBA trimmed mean	0.7%	2.5%
RBA weighted median	0.7%	2.6%