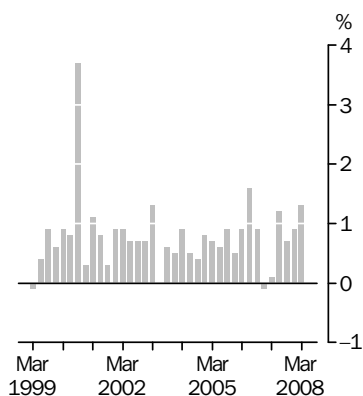


CONSUMER PRICE INDEX

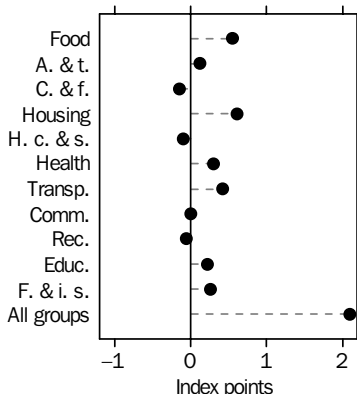
AUSTRALIA

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All Groups
Quarterly change



Contribution to quarterly change
March quarter 2008



KEY FIGURES

WEIGHTED AVERAGE OF EIGHT CAPITAL CITIES

	<i>Dec Qtr 2007 to Mar Qtr 2008</i> % change	<i>Mar Qtr 2007 to Mar Qtr 2008</i> % change
Food	2.1	5.7
Alcohol and tobacco	1.0	3.8
Clothing and footwear	-2.4	-0.5
Housing	1.9	5.7
Household contents and services	-0.6	-0.7
Health	4.0	4.6
Transportation	1.9	6.8
Communication	-0.1	0.1
Recreation	-0.3	1.4
Education	5.2	4.3
Financial and insurance services	1.7	6.8
All groups	1.3	4.2

All groups excluding Housing and Financial and insurance services

1.1 3.5

KEY POINTS

THE ALL GROUPS CPI

- rose 1.3% in the March quarter 2008, compared with a rise of 0.9% in the December quarter.
- rose 4.2% through the year to March quarter 2008.

OVERVIEW OF CPI MOVEMENTS

- The most significant contributors to the increase this quarter were automotive fuel (+5.4%), pharmaceuticals (+13.1%), house purchase (+1.7%), electricity (+6.0%), rents (+2.0%) and other financial services (+2.0%).
- The most significant offsetting decreases were for furniture (-3.6%), audio, visual and computing equipment (-5.8%), domestic holiday travel and accommodation (-1.4%) and accessories (-5.3%).

INQUIRIES

For further information about these and related statistics, contact Lee Taylor on Canberra (02) 6252 6251 or the National Information and Referral Service on 1300 135 070.

NOTES

FORTHCOMING ISSUES

<i>ISSUE (Quarter)</i>	<i>RELEASE DATE</i>
June 2008	23 July 2008
September 2008	22 October 2008
December 2008	28 January 2009
March 2009	22 April 2009

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ROUNDING

Any discrepancies between totals and sums of components in this publication are due to rounding.

CHANGES IN THIS ISSUE

An article 'A Brief Explanation of the CPI' can be found in the Appendix on page 32 of this issue.

A new table, Table 16. CPI: Groups, Sub-groups and Expenditure Class, Points Contribution, by Capital Cities will be released on the ABS website from the March quarter 2008.

HISTORICAL WEIGHTING PATTERNS NOW AVAILABLE

As of the March quarter 2008, historical CPI weighting patterns have been made available. These can be found on the website in *Consumer Price Index: Historical Weighting Patterns (1948 to 2005)* (cat. no. 6431.0).

ABBREVIATIONS

ABS Australian Bureau of Statistics

CPI Consumer Price Index

LINKS TO OTHER PARTS OF THIS RELEASE ON THE WEBSITE

To access the 'Main Contributors to Change' data (on the website) use the link 'Main Contributors to Change' as shown below.

To access the 'Capital Cities Comparison' data (on the website) use the link 'Capital Cities Comparison' as shown below.

The standard way to access links to other parts of this or any release on the website is by selecting the required link from the links list in the box at the top left hand side of the 'Summary' page.



Susan Linacre
Acting Australian Statistician

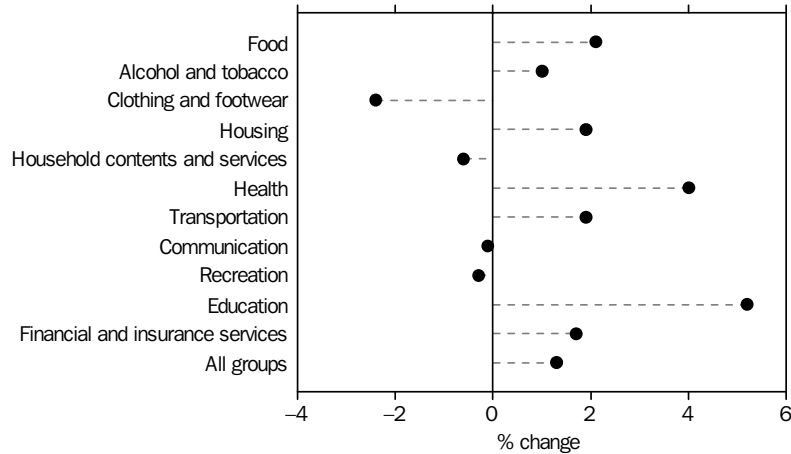
ANALYSES AND COMMENTS

MAIN CONTRIBUTORS TO CHANGE

CPI GROUPS

The discussion of the CPI groups below is ordered in terms of their absolute significance to the change in All groups index points for the quarter (see tables 6 and 7).

WEIGHTED AVERAGE OF EIGHT CAPITAL CITIES, Percentage change from previous quarter



HOUSING (+1.9%)

The rise in housing this quarter was mainly due to house purchase (+1.7%), electricity (+6.0%) and rents (+2.0%).

Increases in the house purchase index were recorded in all capital cities ranging from 0.2% in Perth and Hobart to 2.4% in Adelaide. The rents index rose in all capital cities, ranging from 1.3% in Adelaide to 3.4% in Perth. At the expenditure class level there were no falls in the housing group in any city.

Through the year to March quarter 2008, the housing group rose 5.7%. This rise was mainly attributable to house purchase (+5.0%), rents (+7.1%), and electricity (+10.0%). Annually, the strongest increases in the housing group were rises in Brisbane (+7.9%), Melbourne and Hobart (both +6.2%). Perth recorded the smallest increase at the group level, at 4.5%.

FOOD (+2.1%)

The rise in the food index is due to increases in almost all categories of food, with the largest contributions being take away and fast foods (+2.3%), vegetables (+2.9%), bread (+4.0%), cakes and biscuits (+3.5%), soft drinks, waters and juices (+2.4%), poultry (+4.9%), milk (+2.4%), snacks and confectionery (+1.7%) and restaurant meals (+1.0%). There was a small fall in fruit (-0.6%) mostly due to plentiful supplies of grapes, peaches and bananas.

Over the twelve months to March quarter 2008, the food index rose 5.7%, mainly due to increases in take away and fast foods (+5.6%), vegetables (+9.7%), restaurant meals (+3.9%), milk (+11.6%) and bread (+9.0%). The only offsetting annual fall was in bacon and ham (-0.9%).

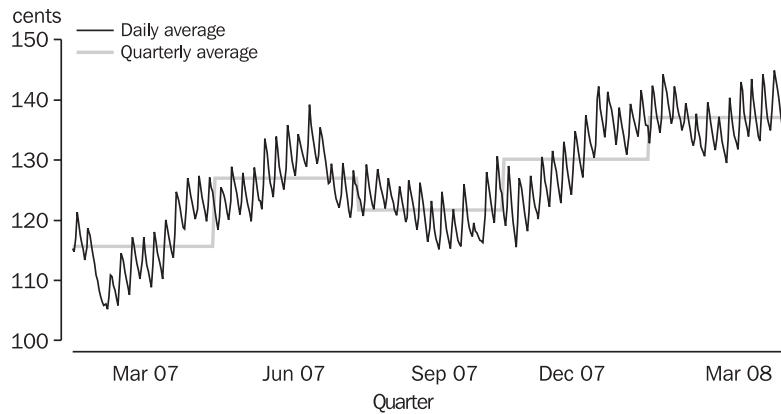
TRANSPORTATION
(+1.9%)

The main contributor to the increase in the transportation index this quarter was the rise in automotive fuel (+5.4%). Most other categories in transportation also rose, with motor vehicle parts and accessories (+1.7%), urban transport fares (+1.4%) and other motoring charges (+0.8%) being the most significant. There was a small offsetting fall in motor vehicles (-0.4%).

Automotive fuel rose in October (+2.0%), November (+5.8%), December (+4.7%) and January (+1.3%), fell in February (-2.7%) then rose in March (+2.8%). The automotive fuel expenditure class contributed 0.38 index points to the increase in the All Groups CPI in March quarter 2008.

The following graph shows the pattern of the average daily prices for unleaded petrol for the eight capital cities over the last fifteen months.

AVERAGE PRICE OF ULP, cents per litre



Over the twelve months to March quarter 2008, the transportation group rose 6.8%, with the main contributors being automotive fuel (+18.9%), motor vehicle repair and servicing (+3.5%), other motoring charges (+4.8%), urban transport fares (+5.4%) and motor vehicle parts and accessories (+6.0%). A fall in motor vehicles (-1.0%) provided the only offset.

HEALTH (+4.0%)

The rise in the health index was due to rises in pharmaceuticals (+13.1%), hospital and medical services (+1.6%) and dental services (+1.6%).

Pharmaceuticals rose as a result of the cyclical reduction in the proportion of consumers who qualify for subsidised medications under the Pharmaceuticals Benefit Scheme at the start of each calendar year. The rise in hospital and medical services reflects increases in gross fees for most medical practitioners' services, combined with a cyclical reduction in the proportion of consumers who qualify for subsidies for out-of-hospital medical expenses under the Medicare Plus safety net at the start of each calendar year.

Through the year to March quarter 2008, the health group rose 4.6%, mainly due to an increase in net hospital and medical services (+5.5%).

ANALYSES AND COMMENTS *continued*

FINANCIAL AND INSURANCE SERVICES (+1.7%)

All categories of financial and insurance services recorded rises this quarter. Other financial services rose 2.0%, deposit and loan facilities rose 1.2% and insurance services rose 2.1%.

Through the year to March quarter 2008, financial and insurance services rose 6.8% due mainly to increases in deposit and loan facilities and other financial services.

The global financial crisis has caused changes in the structure and behaviour of financial markets. Sudden shifts in structural relationships which have existed for some time mean that data supplied by businesses to the ABS and ABS editing and compilation practices may not reflect the impact of these changes fully and in a timely manner.

The ABS is working with providers and reviewing and updating, where needed, a range of methods relating to the collection and compilation of financial sector output, income, transactions, positions and prices.

Improvements have been incorporated into this publication and some will be incorporated into future publications, potentially leading to corrections.

EDUCATION (+5.2%)

All education indexes rose in the March quarter, with the commencement of the new school year. Secondary education rose 6.6%, tertiary education rose 3.8%, and preschool and primary education rose 5.8%.

Secondary education was the major contributor, mainly due to wide-spread fee increases. Both preschool and primary education fees rose with providers reporting that rises were to cover increases in wages and other operating costs.

The rise in tertiary education was mainly due to increases in both TAFE and HECS fees.

Through the year to March quarter 2008, the education group rose 4.3%.

CLOTHING AND FOOTWEAR (-2.4%)

The fall in clothing and footwear this quarter was due to falls in most categories, the most significant being accessories (-5.3%), men's outerwear (-3.3%), children and infants' clothing (-3.9%) and women's footwear (-3.6%).

End-of-summer season sales had a significant impact on the price movements in most categories this quarter. The exception was women's outerwear, which showed no aggregate movement.

Over the year to March quarter 2008, clothing and footwear fell 0.5%, with falls in most categories.

ALCOHOL AND TOBACCO (+1.0%)

All four components in the alcohol and tobacco group rose this quarter with increases in beer (+1.6%), spirits (+1.2%), wine (+0.9%) and tobacco (+0.6%).

The rises in tobacco, beer and spirits are due to the effects of the increase from 1 February in the Federal excise tax, as well as some pure price rises and the cessation of specials in some cities. The increase in wine is mainly due to the discontinuation of specials.

Over the year to March quarter 2008, the alcohol and tobacco group rose 3.8%, with increases for the year ranging from 1.7% for wine to 6.3% for beer.

ANALYSES AND COMMENTS *continued*

HOUSEHOLD CONTENTS AND SERVICES (-0.6%)

The household contents and services group fell this quarter, mainly due to furniture (-3.6%), towels and linen (-5.5%) and glassware, tableware and household utensils (-3.4%). The strongest offsetting movement was a rise in child care (+4.5%).

The falls were mainly due to end-of-season sales across most cities. The rise in the net price of child care was mainly due to increases in gross fees, with many providers reviewing fees at the start of a new year to cover increases in wages and other running costs.

Through the year to March quarter 2008, the household contents and services group fell 0.7%, mainly due to a fall in the net child care index. This resulted from the inclusion of the Child Care Tax Rebate (CCTR) as a rebate for the first time and the additional 10% indexation of the Child Care Benefit (CCB) rates on top of the usual annual CPI indexation. See the appendix *Child Care Services in the CPI* in the September Quarter 2007 release of this publication.

RECREATION (-0.3%)

The fall in recreation was due mainly to audio, visual and computing equipment (-5.8%) and domestic holiday travel and accommodation (-1.4%). The major offsetting rise was in other recreational activities (+2.0%) and overseas holiday travel and accommodation (+0.7%).

Annually, Recreation rose 1.4% with the strongest rises being in overseas holiday travel and accommodation (+8.6%), other recreational activities (+5.0%) and sports participation (+5.9%).

TRADABLES AND NON-TRADABLES

The non-tradables component (see table 8) of the CPI rose 1.7% in the March quarter. Prices for the goods and services in this component are largely determined by domestic price pressures. The non-tradables component represents approximately 58% of the CPI. Within non-tradables, the services component rose 1.4%, mainly due to rents, other financial services, secondary education fees, deposit and loan facilities, tertiary education fees, hospital and medical services and preschool and primary education fees. The only significant offset was provided by domestic holiday travel and accommodation. The non-tradable goods component rose 2.4% mainly due to increases for house purchase and electricity.

The tradables component of the All groups CPI rose 0.8%. Prices for the goods and services in this component are largely determined on the world market. The tradables component represents approximately 42% of the weight of the CPI. The rise in the tradables component was driven by increases in automotive fuel and pharmaceuticals. The most significant offsetting falls were in furniture and audio, visual and computing equipment.

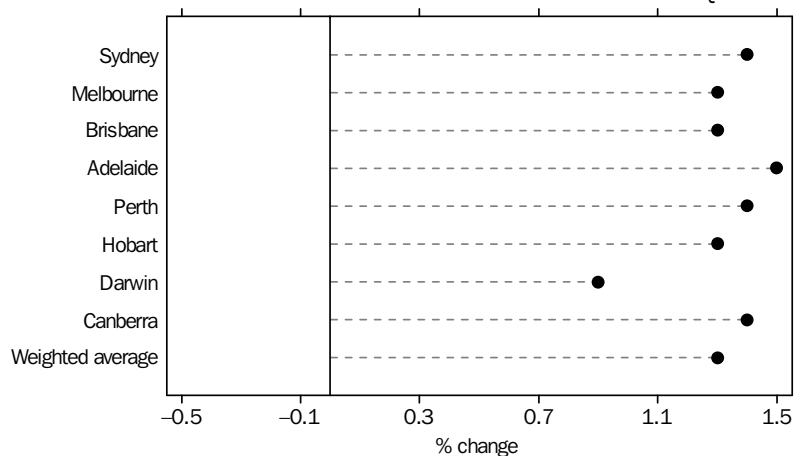
Through the year to March quarter 2008, non-tradables rose 5.0% and tradables rose 3.3%. This compares with rises of 4.2% and 1.4%, respectively, for these components through the year to December quarter 2007. The main drivers in non-tradables through the year were house purchase, rents, deposit and loan facilities, other financial services and electricity. Automotive fuel was the main contributor to the rise in tradables, with less significant contributions from overseas holiday travel and accommodation, vegetables and tobacco.

ANALYSES AND COMMENTS *continued*

CAPITAL CITIES COMPARISON

ALL GROUPS

ALL GROUPS: PERCENTAGE CHANGE FROM PREVIOUS QUARTER



At the All groups level, the CPI rose in all capital cities this quarter. Darwin rose 0.9%, while all other cities were in the range of 1.3% to 1.5%.

Automotive fuel was the main contributor in all cities except Melbourne and Adelaide, where it ranked second to electricity. The housing group rose strongly in all cities, with either or both house purchase and rents contributing strongly to the increases. Food prices also rose strongly in all cities.

The lower result for Darwin was mainly due to a combination of smaller than average increases in food, housing, education, transportation, health and financial and insurance services.

Over the twelve months to March quarter 2008, the All groups CPI rose in all capital cities with the increases ranging from 3.9% in Sydney and Darwin to 4.8% in Brisbane. The higher result in Brisbane is largely due to stronger than average rises in housing, with less significant contributions from financial and insurance services and transportation.

CPI, All groups index numbers and percentage changes

	INDEX		PERCENTAGE CHANGE	
	NUMBER(a)		
	<i>Mar Qtr</i> 2008		<i>Dec Qtr 2007 to</i> <i>Mar Qtr 2008</i>	<i>Mar Qtr 2007 to</i> <i>Mar Qtr 2008</i>
Sydney	161.7		1.4	3.9
Melbourne	160.6		1.3	4.4
Brisbane	165.6		1.3	4.8
Adelaide	165.5		1.5	4.5
Perth	162.5		1.4	4.3
Hobart	161.3		1.3	3.8
Darwin	158.5		0.9	3.9
Canberra	163.0		1.4	4.6
Weighted average of eight capital cities	162.2		1.3	4.2

(a) Base of each index: 1989-90 = 100.0.

ALL GROUPS, Index numbers(a)

<i>Period</i>	<i>Sydney</i>	<i>Melbourne</i>	<i>Brisbane</i>	<i>Adelaide</i>	<i>Perth</i>	<i>Hobart</i>	<i>Darwin</i>	<i>Canberra</i>	<i>Weighted average of eight capital cities</i>
2003-04	144.1	142.8	144.8	147.0	139.6	142.6	138.7	143.4	143.5
2004-05	147.7	145.7	148.5	150.4	144.0	147.1	141.8	146.7	147.0
2005-06	152.1	150.2	153.2	155.2	150.1	151.8	146.5	151.9	151.7
2006-07	156.2	154.2	158.3	159.2	156.1	155.7	152.9	156.4	156.1
2004									
March	145.0	143.5	145.4	147.7	139.6	143.0	139.0	143.9	144.1
June	145.5	143.9	146.3	148.6	141.0	144.3	139.6	144.8	144.8
September	146.2	144.2	146.8	149.0	142.0	145.0	140.8	145.5	145.4
December	147.3	145.3	148.0	150.0	143.3	146.7	141.1	146.3	146.5
2005									
March	148.2	146.4	149.2	150.9	144.4	148.0	141.9	147.0	147.5
June	149.0	146.9	150.0	151.8	146.3	148.8	143.2	147.8	148.4
September	150.5	148.6	150.9	153.4	147.8	150.1	144.7	149.7	149.8
December	151.0	149.2	152.1	154.1	149.0	151.0	145.4	150.9	150.6
2006									
March	152.2	150.5	153.5	155.6	150.5	152.2	146.7	152.2	151.9
June	154.7	152.6	156.2	157.6	153.2	154.0	149.2	154.9	154.3
September	156.1	153.7	157.5	159.3	154.9	155.1	151.8	156.0	155.7
December	155.8	153.5	157.3	158.8	155.5	154.7	152.6	155.6	155.5
2007									
March	155.6	153.8	158.0	158.4	155.8	155.4	152.6	155.9	155.6
June	157.4	155.6	160.2	160.3	158.0	157.4	154.7	158.0	157.5
September	158.1	156.9	161.7	161.5	158.9	157.9	156.6	159.2	158.6
December	159.5	158.5	163.4	163.1	160.2	159.2	157.1	160.8	160.1
2008									
March	161.7	160.6	165.6	165.5	162.5	161.3	158.5	163.0	162.2

(a) Base of each index: 1989-90 = 100.0.

ALL GROUPS, Percentage changes

<i>Period</i>	<i>Sydney</i>	<i>Melbourne</i>	<i>Brisbane</i>	<i>Adelaide</i>	<i>Perth</i>	<i>Hobart</i>	<i>Darwin</i>	<i>Canberra</i>	<i>Weighted average of eight capital cities</i>
PERCENTAGE CHANGE (from previous financial year)									
2003-04	2.1	2.2	2.9	3.0	2.0	2.5	1.4	2.6	2.4
2004-05	2.5	2.0	2.6	2.3	3.2	3.2	2.2	2.3	2.4
2005-06	3.0	3.1	3.2	3.2	4.2	3.2	3.3	3.5	3.2
2006-07	2.7	2.7	3.3	2.6	4.0	2.6	4.4	3.0	2.9
PERCENTAGE CHANGE (from corresponding quarter of previous year)									
2004									
March	2.0	1.8	2.5	2.1	1.6	2.1	1.1	2.3	2.0
June	2.3	2.1	3.2	3.0	2.6	2.5	1.2	2.9	2.5
September	2.7	1.7	2.4	2.5	2.5	2.8	2.2	2.5	2.3
December	2.6	2.3	2.6	2.6	2.9	3.3	1.9	2.4	2.6
2005									
March	2.2	2.0	2.6	2.2	3.4	3.5	2.1	2.2	2.4
June	2.4	2.1	2.5	2.2	3.8	3.1	2.6	2.1	2.5
September	2.9	3.1	2.8	3.0	4.1	3.5	2.8	2.9	3.0
December	2.5	2.7	2.8	2.7	4.0	2.9	3.0	3.1	2.8
2006									
March	2.7	2.8	2.9	3.1	4.2	2.8	3.4	3.5	3.0
June	3.8	3.9	4.1	3.8	4.7	3.5	4.2	4.8	4.0
September	3.7	3.4	4.4	3.8	4.8	3.3	4.9	4.2	3.9
December	3.2	2.9	3.4	3.0	4.4	2.5	5.0	3.1	3.3
2007									
March	2.2	2.2	2.9	1.8	3.5	2.1	4.0	2.4	2.4
June	1.7	2.0	2.6	1.7	3.1	2.2	3.7	2.0	2.1
September	1.3	2.1	2.7	1.4	2.6	1.8	3.2	2.1	1.9
December	2.4	3.3	3.9	2.7	3.0	2.9	2.9	3.3	3.0
2008									
March	3.9	4.4	4.8	4.5	4.3	3.8	3.9	4.6	4.2
PERCENTAGE CHANGE (from previous quarter)									
2004									
March	1.0	1.0	0.8	1.0	0.3	0.7	0.4	0.7	0.9
June	0.3	0.3	0.6	0.6	1.0	0.9	0.4	0.6	0.5
September	0.5	0.2	0.3	0.3	0.7	0.5	0.9	0.5	0.4
December	0.8	0.8	0.8	0.7	0.9	1.2	0.2	0.5	0.8
2005									
March	0.6	0.8	0.8	0.6	0.8	0.9	0.6	0.5	0.7
June	0.5	0.3	0.5	0.6	1.3	0.5	0.9	0.5	0.6
September	1.0	1.2	0.6	1.1	1.0	0.9	1.0	1.3	0.9
December	0.3	0.4	0.8	0.5	0.8	0.6	0.5	0.8	0.5
2006									
March	0.8	0.9	0.9	1.0	1.0	0.8	0.9	0.9	0.9
June	1.6	1.4	1.8	1.3	1.8	1.2	1.7	1.8	1.6
September	0.9	0.7	0.8	1.1	1.1	0.7	1.7	0.7	0.9
December	-0.2	-0.1	-0.1	-0.3	0.4	-0.3	0.5	-0.3	-0.1
2007									
March	-0.1	0.2	0.4	-0.3	0.2	0.5	0.0	0.2	0.1
June	1.2	1.2	1.4	1.2	1.4	1.3	1.4	1.3	1.2
September	0.4	0.8	0.9	0.7	0.6	0.3	1.2	0.8	0.7
December	0.9	1.0	1.1	1.0	0.8	0.8	0.3	1.0	0.9
2008									
March	1.4	1.3	1.3	1.5	1.4	1.3	0.9	1.4	1.3

CPI GROUPS, Weighted average of eight capital cities—Index numbers(a)

<i>Period</i>	<i>Food</i>	<i>Alcohol and tobacco</i>	<i>Clothing and footwear</i>	<i>Housing</i>	<i>Household contents and services</i>	<i>Health</i>
2003-04	152.3	217.8	112.7	120.2	121.1	193.9
2004-05	154.8	225.4	110.8	124.8	120.7	204.3
2005-06	162.3	233.1	109.2	129.3	122.2	213.5
2006-07	172.4	240.6	108.4	133.7	124.6	223.5
2004						
March	154.7	218.8	111.5	120.7	120.7	195.5
June	153.3	220.5	112.7	121.5	120.7	201.6
September	152.4	222.5	112.5	123.2	120.6	200.1
December	154.6	224.0	110.9	124.3	121.3	198.8
2005						
March	156.0	226.9	109.4	125.5	119.7	206.7
June	156.2	228.1	110.3	126.2	121.2	211.6
September	157.4	230.3	110.5	128.0	121.6	209.3
December	160.2	231.4	110.3	128.8	122.4	207.1
2006						
March	162.5	234.3	107.5	129.6	121.9	216.2
June	169.1	236.4	108.4	130.6	122.9	221.4
September	173.0	237.7	108.5	132.2	124.5	219.8
December	173.9	239.5	108.1	132.9	124.7	218.0
2007						
March	169.9	241.6	107.7	134.2	123.6	225.7
June	172.8	243.6	109.2	135.3	125.5	230.5
September	176.1	245.0	109.6	137.8	122.5	229.3
December	175.9	248.2	109.8	139.3	123.5	226.9
2008						
March	179.6	250.7	107.2	141.9	122.7	236.0

(a) Unless otherwise specified, base of each index: 1989-90 = 100.0.

<i>Period</i>	<i>Transportation</i>	<i>Communication</i>	<i>Recreation</i>	<i>Education</i>	<i>Financial and insurance services(b)</i>	<i>All groups</i>
2003-04	142.0	110.0	130.0	223.3	..	143.5
2004-05	146.8	111.1	130.7	238.7	..	147.0
2005-06	155.5	109.5	132.0	253.2	101.2	151.7
2006-07	158.0	110.8	133.8	264.6	103.0	156.1
2004						
March	141.7	110.0	129.7	231.4	..	144.1
June	144.1	110.4	129.3	231.5	..	144.8
September	145.2	110.9	129.9	231.5	..	145.4
December	147.2	111.2	130.9	231.7	..	146.5
2005						
March	145.8	111.6	131.8	245.7	..	147.5
June	148.8	110.6	130.1	245.9	100.0	148.4
September	153.7	109.8	131.7	246.0	100.1	149.8
December	153.0	109.0	131.7	246.3	101.6	150.6
2006						
March	155.0	109.5	132.5	260.1	101.0	151.9
June	160.2	109.6	132.0	260.2	102.2	154.3
September	160.8	110.3	133.0	258.0	102.5	155.7
December	154.7	110.8	134.8	258.0	103.0	155.5
2007						
March	155.8	111.0	133.9	270.9	102.8	155.6
June	160.5	111.2	133.3	271.3	103.7	157.5
September	159.4	111.2	135.1	268.6	105.8	158.6
December	163.3	111.2	136.2	268.6	108.0	160.1
2008						
March	166.4	111.1	135.8	282.5	109.8	162.2

.. not applicable

(b) Base: June quarter 2005 = 100.0.

(a) Unless otherwise specified, base of each index: 1989-90 = 100.0.

CPI GROUPS, Weighted average of eight capital cities—Percentage changes

<i>Period</i>	<i>Food</i>	<i>Alcohol and tobacco</i>	<i>Clothing and footwear</i>	<i>Housing</i>	<i>Household contents and services</i>	<i>Health</i>
PERCENTAGE CHANGE (from previous financial year)						
2003-04	3.0	4.3	-0.5	4.4	0.1	6.8
2004-05	1.6	3.5	-1.7	3.8	-0.3	5.4
2005-06	4.8	3.4	-1.4	3.6	1.2	4.5
2006-07	6.2	3.2	-0.7	3.4	2.0	4.7

PERCENTAGE CHANGE (from corresponding quarter of previous year)

2004						
March	3.3	4.2	-0.8	4.3	0.2	6.5
June	2.3	4.4	-0.9	4.0	-0.6	6.6
September	2.1	3.4	-0.7	3.6	-0.7	5.8
December	1.7	3.5	-1.9	3.9	-0.1	5.0
2005						
March	0.8	3.7	-1.9	4.0	-0.8	5.7
June	1.9	3.4	-2.1	3.9	0.4	5.0
September	3.3	3.5	-1.8	3.9	0.8	4.6
December	3.6	3.3	-0.5	3.6	0.9	4.2
2006						
March	4.2	3.3	-1.7	3.3	1.8	4.6
June	8.3	3.6	-1.7	3.5	1.4	4.6
September	9.9	3.2	-1.8	3.3	2.4	5.0
December	8.6	3.5	-2.0	3.2	1.9	5.3
2007						
March	4.6	3.1	0.2	3.5	1.4	4.4
June	2.2	3.0	0.7	3.6	2.1	4.1
September	1.8	3.1	1.0	4.2	-1.6	4.3
December	1.2	3.6	1.6	4.8	-1.0	4.1
2008						
March	5.7	3.8	-0.5	5.7	-0.7	4.6

PERCENTAGE CHANGE (from previous quarter)

2004						
March	1.8	1.1	-1.4	0.9	-0.6	3.2
June	-0.9	0.8	1.1	0.7	0.0	3.1
September	-0.6	0.9	-0.2	1.4	-0.1	-0.7
December	1.4	0.7	-1.4	0.9	0.6	-0.6
2005						
March	0.9	1.3	-1.4	1.0	-1.3	4.0
June	0.1	0.5	0.8	0.6	1.3	2.4
September	0.8	1.0	0.2	1.4	0.3	-1.1
December	1.8	0.5	-0.2	0.6	0.7	-1.1
2006						
March	1.4	1.3	-2.5	0.6	-0.4	4.4
June	4.1	0.9	0.8	0.8	0.8	2.4
September	2.3	0.5	0.1	1.2	1.3	-0.7
December	0.5	0.8	-0.4	0.5	0.2	-0.8
2007						
March	-2.3	0.9	-0.4	1.0	-0.9	3.5
June	1.7	0.8	1.4	0.8	1.5	2.1
September	1.9	0.6	0.4	1.8	-2.4	-0.5
December	-0.1	1.3	0.2	1.1	0.8	-1.0
2008						
March	2.1	1.0	-2.4	1.9	-0.6	4.0

<i>Period</i>	<i>Transportation</i>	<i>Communication</i>	<i>Recreation</i>	<i>Education</i>	<i>Financial and insurance services</i>	<i>All groups</i>
PERCENTAGE CHANGE (from previous financial year)						
2003-04	1.0	1.4	-1.4	6.3	..	2.4
2004-05	3.4	1.0	0.5	6.9	..	2.4
2005-06	5.9	-1.4	1.0	6.1	..	3.2
2006-07	1.6	1.2	1.4	4.5	1.8	2.9
PERCENTAGE CHANGE (from corresponding quarter of previous year)						
2004						
March	-1.4	1.1	-2.0	7.8	..	2.0
June	3.4	1.4	-1.7	7.8	..	2.5
September	2.8	1.1	-0.1	7.6	..	2.3
December	4.6	1.2	-0.2	7.7	..	2.6
2005						
March	2.9	1.5	1.6	6.2	..	2.4
June	3.3	0.2	0.6	6.2	..	2.5
September	5.9	-1.0	1.4	6.3	..	3.0
December	3.9	-2.0	0.6	6.3	..	2.8
2006						
March	6.3	-1.9	0.5	5.9	..	3.0
June	7.7	-0.9	1.5	5.8	2.2	4.0
September	4.6	0.5	1.0	4.9	2.4	3.9
December	1.1	1.7	2.4	4.8	1.4	3.3
2007						
March	0.5	1.4	1.1	4.2	1.8	2.4
June	0.2	1.5	1.0	4.3	1.5	2.1
September	-0.9	0.8	1.6	4.1	3.2	1.9
December	5.6	0.4	1.0	4.1	4.9	3.0
2008						
March	6.8	0.1	1.4	4.3	6.8	4.2
PERCENTAGE CHANGE (from previous quarter)						
2004						
March	0.7	0.1	-1.1	7.6	..	0.9
June	1.7	0.4	-0.3	0.0	..	0.5
September	0.8	0.5	0.5	0.0	..	0.4
December	1.4	0.3	0.8	0.1	..	0.8
2005						
March	-1.0	0.4	0.7	6.0	..	0.7
June	2.1	-0.9	-1.3	0.1	..	0.6
September	3.3	-0.7	1.2	0.0	0.1	0.9
December	-0.5	-0.7	0.0	0.1	1.5	0.5
2006						
March	1.3	0.5	0.6	5.6	-0.6	0.9
June	3.4	0.1	-0.4	0.0	1.2	1.6
September	0.4	0.6	0.8	-0.8	0.3	0.9
December	-3.8	0.5	1.4	0.0	0.5	-0.1
2007						
March	0.7	0.2	-0.7	5.0	-0.2	0.1
June	3.0	0.2	-0.4	0.1	0.9	1.2
September	-0.7	0.0	1.4	-1.0	2.0	0.7
December	2.4	0.0	0.8	0.0	2.1	0.9
2008						
March	1.9	-0.1	-0.3	5.2	1.7	1.3

.. not applicable

CPI GROUPS, Index numbers(a)

Quarters	Sydney	Melbourne	Brisbane	Adelaide	Perth	Hobart	Darwin	Canberra	Weighted average of eight capital cities
FOOD									
2006									
March	163.1	160.6	164.7	167.7	160.9	157.8	158.4	165.8	162.5
June	170.3	167.0	171.1	174.7	166.4	161.9	162.3	173.0	169.1
September	174.8	170.7	175.1	179.3	169.3	165.1	165.5	174.0	173.0
December	175.5	171.7	176.1	179.3	170.4	167.6	167.3	175.3	173.9
2007									
March	170.5	168.2	171.5	175.6	168.0	165.2	164.1	172.1	169.9
June	172.8	171.8	174.8	177.6	171.3	167.4	167.2	175.7	172.8
September	175.9	175.8	178.3	182.3	173.5	169.4	169.8	176.7	176.1
December	175.2	175.5	177.2	182.7	174.2	171.0	171.0	178.0	175.9
2008									
March	179.6	177.4	180.5	188.3	179.4	173.6	173.2	183.4	179.6
ALCOHOL AND TOBACCO									
2006									
March	240.2	235.3	230.1	241.9	219.1	221.8	226.1	219.9	234.3
June	243.5	237.3	231.1	243.4	220.3	222.6	227.3	221.7	236.4
September	244.2	238.2	232.1	245.7	223.5	224.4	230.7	223.7	237.7
December	245.9	241.2	233.4	245.9	224.3	225.4	231.6	224.8	239.5
2007									
March	247.2	243.4	236.2	250.2	225.7	226.5	233.5	227.7	241.6
June	249.3	244.6	239.6	252.4	228.3	229.7	235.0	228.6	243.6
September	249.1	247.3	240.1	253.6	231.4	231.3	235.4	230.5	245.0
December	252.3	251.5	241.4	257.9	232.8	234.3	240.3	234.6	248.2
2008									
March	255.0	254.2	243.7	259.7	235.3	236.5	242.1	239.1	250.7
CLOTHING AND FOOTWEAR									
2006									
March	110.8	108.8	98.9	109.1	100.5	103.5	102.8	113.0	107.5
June	111.5	109.5	101.0	109.3	101.7	104.3	104.1	113.4	108.4
September	111.5	109.0	103.1	109.3	101.6	104.2	105.1	113.1	108.5
December	111.1	109.0	102.0	108.1	102.8	102.3	104.0	110.2	108.1
2007									
March	110.8	108.4	103.8	105.6	101.7	102.2	103.6	110.4	107.7
June	111.1	112.0	103.6	107.5	102.3	102.6	105.1	113.4	109.2
September	111.5	111.1	106.7	108.0	101.8	102.8	104.4	114.7	109.6
December	111.5	111.3	107.2	108.9	102.2	102.6	104.9	114.5	109.8
2008									
March	110.8	106.7	104.8	105.2	98.9	102.1	103.4	113.4	107.2
HOUSING									
2006									
March	134.7	115.9	140.6	129.4	132.2	133.6	146.5	135.2	129.6
June	135.4	116.1	142.2	129.4	135.2	134.8	149.6	136.7	130.6
September	137.2	116.4	143.9	131.2	138.7	135.8	153.8	140.2	132.2
December	137.5	117.4	144.8	131.4	139.7	135.7	157.4	140.9	132.9
2007									
March	138.3	118.6	147.4	132.5	141.3	137.4	158.9	141.8	134.2
June	139.5	119.2	149.4	132.9	142.9	139.6	160.5	142.5	135.3
September	142.3	120.5	153.8	134.4	145.1	141.9	164.6	147.4	137.8
December	143.4	122.2	156.7	135.7	146.3	142.8	166.3	148.9	139.3
2008									
March	145.4	125.9	159.0	139.2	147.7	145.9	168.3	150.1	141.9

(a) Unless otherwise specified, base of each index: 1989-90 = 100.0.

Quarters	Sydney	Melbourne	Brisbane	Adelaide	Perth	Hobart	Darwin	Canberra	Weighted average of eight capital cities
HOUSEHOLD CONTENTS AND SERVICES									
2006									
March	120.4	122.7	124.5	122.1	118.5	130.9	114.3	129.7	121.9
June	121.2	123.5	126.0	122.7	119.4	131.4	115.0	131.5	122.9
September	122.6	125.6	127.4	124.9	120.9	131.8	115.6	131.7	124.5
December	122.5	125.6	128.0	124.1	122.4	132.0	117.3	132.3	124.7
2007									
March	121.5	124.8	127.3	122.6	120.6	132.2	117.2	130.4	123.6
June	122.9	126.3	129.3	125.2	123.2	133.8	118.6	133.7	125.5
September	119.7	123.9	125.3	123.0	121.0	129.5	116.2	129.0	122.5
December	121.0	124.2	127.1	123.8	121.2	132.3	116.7	130.1	123.5
2008									
March	119.4	124.1	126.5	123.2	120.2	131.7	116.7	131.2	122.7
HEALTH									
2006									
March	201.9	229.2	219.7	221.7	204.8	238.2	199.2	216.2	216.2
June	206.8	233.7	225.9	228.6	210.4	245.0	205.0	219.7	221.4
September	206.1	231.4	223.1	226.4	209.6	241.3	202.9	217.3	219.8
December	203.2	230.9	220.6	225.8	208.7	239.2	204.8	214.5	218.0
2007									
March	209.9	239.0	230.9	231.9	216.0	247.0	213.2	224.3	225.7
June	215.3	242.7	235.3	236.9	221.6	253.9	216.2	227.0	230.5
September	213.8	242.2	233.2	234.4	221.0	251.7	213.6	227.0	229.3
December	211.3	239.8	230.1	232.7	219.9	248.4	211.1	224.2	226.9
2008									
March	220.5	247.8	241.4	239.8	228.8	258.0	219.0	234.8	236.0
TRANSPORTATION									
2006									
March	155.6	155.5	153.3	158.1	154.0	150.2	148.2	153.2	155.0
June	160.9	160.8	158.6	163.2	158.9	155.0	152.2	159.5	160.2
September	161.3	161.3	159.5	163.9	159.8	154.7	153.6	159.3	160.8
December	155.2	154.9	154.0	157.6	154.7	146.9	148.4	152.1	154.7
2007									
March	156.3	155.8	154.9	158.4	156.0	149.4	148.4	152.7	155.8
June	160.7	160.5	159.6	163.8	161.5	154.6	153.5	159.1	160.5
September	159.3	159.7	158.7	162.6	160.4	153.3	153.2	157.3	159.4
December	163.4	163.9	162.3	166.9	162.9	155.1	156.3	161.2	163.3
2008									
March	166.8	166.5	166.1	169.3	166.7	159.1	158.8	163.6	166.4
COMMUNICATION									
2006									
March	109.0	109.3	112.9	110.9	107.8	110.4	101.3	108.2	109.5
June	109.1	109.4	113.0	111.0	107.9	110.5	101.4	108.3	109.6
September	109.8	110.0	113.8	111.7	108.6	111.3	102.0	108.9	110.3
December	110.4	110.3	114.4	112.2	109.2	111.8	102.5	109.5	110.8
2007									
March	110.6	110.5	114.7	112.4	109.4	112.0	102.7	109.7	111.0
June	110.7	110.7	114.8	112.6	109.5	112.2	102.8	109.9	111.2
September	110.7	110.7	114.9	112.6	109.5	112.2	102.8	109.9	111.2
December	110.8	110.8	114.9	112.7	109.5	112.2	102.9	109.9	111.2
2008									
March	110.7	110.7	114.8	112.6	109.5	112.1	102.8	109.8	111.1

(a) Unless otherwise specified, base of each index: 1989-90 = 100.0.

Quarters	Sydney	Melbourne	Brisbane	Adelaide	Perth	Hobart	Darwin	Canberra	Weighted average of eight capital cities
RECREATION									
2006									
March	135.2	133.3	128.7	132.5	130.3	130.2	106.7	129.8	132.5
June	134.8	132.2	128.4	131.7	130.3	129.1	108.6	130.1	132.0
September	135.7	133.3	129.1	133.2	130.6	132.4	112.9	131.4	133.0
December	137.5	134.3	130.1	135.7	134.3	134.0	113.1	133.1	134.8
2007									
March	136.5	134.6	129.2	133.1	132.2	133.6	110.7	132.2	133.9
June	136.8	132.8	128.7	132.9	131.3	131.7	111.7	131.4	133.3
September	137.7	135.5	130.4	135.3	133.3	133.0	116.7	133.7	135.1
December	138.8	136.6	132.0	136.7	135.2	132.5	111.2	134.6	136.2
2008									
March	138.0	136.5	130.6	136.7	135.9	131.9	110.2	132.8	135.8
EDUCATION									
2006									
March	271.8	246.4	279.5	299.9	241.6	259.7	180.8	241.7	260.1
June	272.0	246.4	279.8	300.1	241.6	259.7	180.8	241.8	260.2
September	270.9	245.7	270.9	295.9	241.2	254.0	174.8	234.1	258.0
December	271.0	245.8	271.0	296.0	241.2	254.0	174.8	234.2	258.0
2007									
March	284.2	255.2	288.5	308.8	260.5	263.6	184.8	249.1	270.9
June	284.4	255.8	289.2	308.8	260.5	263.6	184.8	249.1	271.3
September	280.0	253.6	286.9	307.4	260.3	261.0	184.8	246.4	268.6
December	280.0	253.7	287.0	307.5	260.3	261.0	184.8	246.5	268.6
2008									
March	293.9	265.2	303.0	322.7	280.6	272.7	192.4	261.2	282.5
FINANCIAL AND INSURANCE SERVICES (b)									
2006									
March	101.2	101.5	100.4	100.3	100.3	100.3	98.4	101.3	101.0
June	102.4	102.8	101.4	100.8	102.1	100.7	99.3	102.4	102.2
September	102.8	103.5	101.5	101.3	101.8	100.8	99.5	102.8	102.5
December	103.5	103.3	102.0	101.5	102.6	102.2	100.1	103.6	103.0
2007									
March	103.1	103.3	102.0	101.4	102.3	102.4	101.2	103.4	102.8
June	103.8	104.5	102.9	102.1	103.0	103.3	102.4	104.3	103.7
September	105.5	107.2	105.5	104.3	104.5	105.5	103.5	106.1	105.8
December	107.7	109.8	107.6	106.3	106.3	108.0	105.7	108.3	108.0
2008									
March	109.5	111.7	109.8	108.0	107.6	109.2	107.4	110.3	109.8

(a) Unless otherwise specified, base of each index: 1989-90 = 100.0.

(b) Base: June quarter 2005 = 100.0.

Group, sub-group and expenditure class									Weighted average of eight capital cities
	Sydney	Melbourne	Brisbane	Adelaide	Perth	Hobart	Darwin	Canberra	
Food	0.66	0.29	0.47	0.83	0.73	0.40	0.32	0.73	0.55
Dairy and related products	0.03	0.02	0.05	0.14	0.07	0.05	0.03	0.05	0.05
Milk	0.02	0.01	0.02	0.05	0.05	0.06	0.00	0.04	0.03
Cheese	0.01	0.01	0.01	0.08	0.02	0.01	0.01	0.02	0.02
Ice cream and other dairy products	0.00	0.00	0.01	0.02	-0.01	-0.02	0.02	0.01	0.00
Bread and cereal products	0.13	0.09	0.11	0.18	0.09	0.14	0.04	0.14	0.11
Bread	0.05	0.04	0.05	0.07	0.04	0.05	0.02	0.05	0.04
Cakes and biscuits	0.05	0.03	0.05	0.08	0.01	0.06	0.01	0.06	0.04
Breakfast cereals	0.01	0.00	0.00	0.00	0.01	0.00	-0.01	0.01	0.00
Other cereal products	0.03	0.01	0.01	0.02	0.04	0.02	0.02	0.02	0.02
Meat and seafoods	0.07	0.07	0.10	0.14	0.15	0.13	0.14	0.09	0.09
Beef and veal	0.02	0.01	0.01	0.04	0.03	0.03	0.05	0.02	0.02
Lamb and mutton	0.02	0.00	0.02	0.01	0.01	0.01	0.02	0.01	0.01
Pork	0.01	0.00	0.01	0.01	0.01	0.01	0.00	0.01	0.01
Poultry	0.01	0.03	0.04	0.05	0.06	0.08	0.04	0.06	0.03
Bacon and ham	0.01	0.03	-0.02	0.02	0.02	0.00	0.01	0.00	0.01
Other fresh and processed meat	0.01	0.00	0.01	-0.01	-0.01	0.00	0.01	-0.01	0.00
Fish and other seafood	-0.01	-0.01	0.02	0.02	0.02	0.00	0.01	0.01	0.01
Fruit and vegetables	0.10	-0.05	0.02	0.03	0.24	-0.18	-0.09	0.18	0.05
Fruit	0.01	-0.06	-0.05	0.00	0.11	-0.04	-0.10	0.04	-0.01
Vegetables	0.10	0.00	0.07	0.02	0.14	-0.14	0.01	0.15	0.06
Non-alcoholic drinks and snack food	0.07	0.04	0.06	0.16	0.04	0.06	0.04	0.10	0.06
Soft drinks, waters and juices	0.05	0.01	0.02	0.09	0.02	0.03	0.04	0.05	0.04
Snacks and confectionery	0.02	0.03	0.04	0.07	0.02	0.03	-0.01	0.06	0.03
Meals out and take away foods	0.19	0.09	0.13	0.09	0.10	0.10	0.10	0.11	0.12
Restaurant meals	0.03	0.04	0.03	0.03	0.04	0.02	0.01	0.07	0.03
Take away and fast foods	0.15	0.05	0.10	0.06	0.06	0.09	0.08	0.05	0.10
Other food	0.05	0.04	0.03	0.09	0.04	0.08	0.05	0.06	0.05
Eggs	0.01	0.00	0.01	0.01	0.00	0.01	0.01	0.01	0.01
Jams, honey and sandwich spreads	0.00	0.01	-0.01	0.00	0.01	0.00	0.00	0.00	0.01
Tea, coffee and food drinks	0.02	0.00	0.00	0.03	0.02	0.03	0.02	0.01	0.01
Food additives and condiments	0.01	0.00	0.00	0.00	-0.01	0.00	0.00	0.01	0.00
Fats and oils	0.01	0.01	0.01	0.01	0.01	0.00	0.00	0.00	0.01
Food n.e.c.	0.01	0.01	0.00	0.03	0.02	0.02	0.00	0.03	0.02
Alcohol and tobacco	0.11	0.12	0.10	0.09	0.12	0.13	0.10	0.18	0.12
Alcoholic drinks	0.08	0.11	0.08	0.05	0.10	0.08	0.03	0.16	0.09
Beer	0.03	0.08	0.02	0.04	0.08	0.05	0.03	0.08	0.05
Wine	0.03	0.02	0.02	-0.01	0.00	0.02	0.00	0.05	0.02
Spirits	0.01	0.02	0.03	0.00	0.01	0.00	0.01	0.03	0.02
Tobacco	0.03	0.01	0.03	0.04	0.03	0.05	0.07	0.03	0.02
Clothing and footwear	-0.04	-0.26	-0.14	-0.22	-0.16	-0.03	-0.07	-0.06	-0.14
Men's clothing	-0.03	-0.04	-0.03	-0.07	-0.07	0.00	-0.03	0.01	-0.04
Men's outerwear	-0.01	-0.05	-0.03	-0.05	-0.06	0.01	-0.02	0.01	-0.04
Men's underwear, nightwear and socks	-0.01	-0.01	0.00	-0.01	-0.01	-0.01	-0.02	-0.01	-0.01
Women's clothing	0.02	-0.02	-0.03	-0.02	-0.03	-0.01	-0.01	0.00	-0.01
Women's outerwear	0.02	-0.01	-0.01	-0.01	-0.02	0.01	0.02	0.02	0.00
Women's underwear, nightwear and hosiery	0.00	-0.01	-0.02	-0.01	-0.01	-0.02	-0.02	-0.02	-0.01
Children's and infants' clothing	-0.01	-0.04	-0.02	-0.05	-0.04	-0.02	-0.04	-0.01	-0.02
Footwear	0.01	-0.09	0.00	-0.03	0.00	0.01	0.00	-0.02	-0.02
Men's footwear	0.00	-0.02	-0.01	-0.01	0.01	0.00	-0.01	-0.01	-0.01
Women's footwear	0.00	-0.07	0.00	0.00	-0.01	0.01	0.00	-0.03	-0.02
Children's footwear	0.00	0.00	0.00	-0.01	0.00	0.00	0.00	0.01	-0.01
Accessories and clothing services	-0.03	-0.07	-0.04	-0.07	-0.01	-0.02	0.02	-0.04	-0.04
Accessories	-0.04	-0.07	-0.04	-0.07	0.00	-0.01	0.02	-0.04	-0.05
Clothing services and shoe repair	0.00	0.00	0.01	0.00	0.01	0.00	0.00	0.00	0.00

(a) All groups index points.

<i>Group, sub-group and expenditure class</i>	<i>Sydney</i>	<i>Melbourne</i>	<i>Brisbane</i>	<i>Adelaide</i>	<i>Perth</i>	<i>Hobart</i>	<i>Darwin</i>	<i>Canberra</i>	<i>Weighted average of eight capital cities</i>
Housing	0.46	0.91	0.53	0.76	0.33	0.68	0.44	0.30	0.61
Rents	0.19	0.09	0.26	0.08	0.25	0.11	0.24	0.22	0.16
Utilities	0.00	0.55	0.00	0.39	0.00	0.53	0.01	0.01	0.20
Electricity	0.00	0.43	0.00	0.38	0.00	0.52	0.00	0.00	0.16
Gas and other household fuels	0.00	0.11	0.00	0.01	0.00	0.01	0.02	0.01	0.03
Water and sewerage	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other housing	0.26	0.28	0.27	0.28	0.08	0.04	0.18	0.07	0.24
House purchase	0.23	0.26	0.25	0.27	0.03	0.02	0.16	0.06	0.21
Property rates and charges	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
House repairs and maintenance	0.03	0.02	0.01	0.02	0.06	0.03	0.02	0.01	0.02
Household contents and services	-0.18	-0.01	-0.07	-0.08	-0.13	-0.07	0.01	0.12	-0.09
Furniture and furnishings	-0.20	-0.08	-0.10	-0.16	-0.19	-0.13	-0.04	-0.03	-0.14
Furniture	-0.17	-0.06	-0.07	-0.07	-0.17	-0.06	-0.02	-0.03	-0.11
Floor and window coverings	-0.02	0.01	0.00	-0.03	0.03	0.00	-0.01	0.01	-0.01
Towels and linen	-0.01	-0.04	-0.03	-0.05	-0.03	-0.08	-0.02	-0.01	-0.03
Household appliances, utensils and tools	-0.04	-0.02	-0.09	-0.04	0.00	-0.01	0.00	-0.03	-0.04
Major household appliances	0.00	-0.01	0.00	-0.03	0.03	0.01	-0.01	-0.01	-0.01
Small electric household appliances	-0.01	0.00	-0.02	0.00	-0.01	0.01	0.01	0.00	-0.01
Glassware, tableware and household utensils	-0.03	-0.01	-0.07	-0.01	-0.01	-0.03	0.01	-0.03	-0.02
Tools	0.00	0.00	0.00	0.00	-0.01	0.00	0.00	0.00	0.00
Household supplies	-0.01	0.06	0.01	0.03	0.01	0.04	0.02	0.12	0.02
Household cleaning agents	0.00	0.01	0.01	0.00	-0.01	0.02	0.01	0.00	0.01
Toiletries and personal care products	-0.01	0.02	0.01	0.01	0.00	0.00	0.01	0.04	0.00
Other household supplies	0.00	0.03	0.00	0.03	0.02	0.03	0.00	0.07	0.02
Household services	0.05	0.03	0.10	0.08	0.03	0.03	0.02	0.08	0.05
Child care	0.03	0.01	0.07	0.01	0.02	0.01	0.01	0.02	0.03
Hairdressing and personal care services	0.01	0.01	0.01	0.03	0.01	0.00	0.01	0.01	0.01
Other household services	0.02	0.01	0.03	0.06	0.00	0.01	0.00	0.05	0.02
Health	0.34	0.25	0.32	0.22	0.32	0.29	0.21	0.38	0.30
Health services	0.12	0.05	0.10	0.02	0.13	0.04	0.11	0.15	0.09
Hospital and medical services	0.11	0.04	0.09	0.01	0.06	0.04	0.06	0.12	0.07
Optical services	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Dental services	0.01	0.01	0.01	0.00	0.07	0.01	0.05	0.03	0.02
Pharmaceuticals	0.23	0.20	0.23	0.19	0.18	0.23	0.10	0.23	0.21
Transportation	0.44	0.34	0.52	0.32	0.48	0.54	0.29	0.31	0.42
Private motoring	0.43	0.31	0.49	0.32	0.49	0.53	0.29	0.31	0.40
Motor vehicles	-0.03	-0.04	0.05	-0.06	-0.05	-0.08	-0.08	-0.12	-0.03
Automotive fuel	0.37	0.37	0.37	0.30	0.46	0.55	0.31	0.35	0.38
Motor vehicle repair and servicing	0.07	-0.05	0.03	0.02	0.04	0.04	0.02	0.03	0.01
Motor vehicle parts and accessories	0.01	0.02	0.02	0.05	0.02	0.02	0.03	0.03	0.02
Other motoring charges	0.02	0.00	0.02	0.00	0.01	0.00	0.00	0.03	0.02
Urban transport fares	0.02	0.02	0.03	0.00	0.00	0.01	0.00	0.00	0.02
Communication	-0.01	0.00	-0.01	0.00	0.00	0.00	0.00	0.00	0.00
Postal	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01
Telecommunication	0.00	0.00	0.00	0.00	0.00	-0.01	0.00	0.00	-0.01

(a) All groups index points.

Group, sub-group and expenditure class									Weighted
	Sydney	Melbourne	Brisbane	Adelaide	Perth	Hobart	Darwin	Canberra	average of eight capital cities
Recreation	-0.10	0.00	-0.16	-0.01	0.08	-0.09	-0.18	-0.27	-0.06
Audio, visual and computing	-0.15	-0.11	-0.07	-0.09	-0.05	-0.07	0.01	-0.17	-0.11
Audio, visual and computing equipment	-0.15	-0.10	-0.06	-0.11	-0.09	-0.07	-0.04	-0.14	-0.10
Audio, visual and computing media and services	0.00	-0.02	-0.01	0.01	0.03	-0.01	0.05	-0.04	0.00
Books, newspapers and magazines	0.03	0.01	0.01	0.01	0.00	0.01	0.00	0.00	0.02
Books	0.03	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.01
Newspapers and magazines	0.00	0.00	0.00	0.01	0.00	0.00	0.01	0.00	0.00
Sport and other recreation	0.09	0.05	0.04	0.08	0.10	0.04	0.02	0.08	0.07
Sports and recreational equipment	0.01	-0.01	0.00	0.00	-0.01	0.00	0.02	0.02	0.00
Toys, games and hobbies	0.01	0.01	0.00	0.01	0.03	0.00	0.01	0.01	0.01
Sports participation	0.01	0.01	0.01	0.01	0.02	0.00	0.00	0.00	0.01
Pets, pet foods and supplies	0.01	0.00	0.02	0.02	0.00	0.01	-0.03	0.00	0.01
Pet services including veterinary	0.01	0.01	0.00	0.01	0.01	0.01	0.00	0.00	0.01
Other recreational activities	0.03	0.03	0.02	0.04	0.05	0.03	0.01	0.05	0.03
Holiday travel and accommodation	-0.07	0.05	-0.15	0.01	0.02	-0.07	-0.20	-0.17	-0.03
Domestic holiday travel and accommodation	-0.07	0.00	-0.08	-0.08	-0.01	-0.06	-0.34	-0.15	-0.06
Overseas holiday travel and accommodation	0.01	0.05	-0.07	0.08	0.03	-0.02	0.14	-0.01	0.02
Education	0.22	0.23	0.23	0.20	0.29	0.17	0.09	0.24	0.23
Preschool and primary education	0.05	0.05	0.05	0.06	0.07	0.03	0.02	0.03	0.05
Secondary education	0.11	0.10	0.09	0.10	0.11	0.09	0.03	0.11	0.10
Tertiary education	0.07	0.08	0.08	0.04	0.10	0.07	0.04	0.11	0.08
Financial and insurance services	0.28	0.25	0.31	0.22	0.17	0.12	0.17	0.25	0.26
Financial services	0.21	0.18	0.27	0.19	0.15	0.09	0.12	0.22	0.20
Deposit and loan facilities	0.10	0.09	0.08	0.07	0.07	0.04	0.07	0.08	0.09
Other financial services	0.11	0.10	0.19	0.11	0.07	0.03	0.07	0.16	0.11
Insurance services	0.06	0.07	0.03	0.03	0.03	0.03	0.05	0.03	0.05
All groups	2.2	2.1	2.2	2.4	2.3	2.1	1.4	2.2	2.1

(a) All groups index points.

Group, sub-group and expenditure class	INDEX NUMBERS(a)			PERCENTAGE CHANGE		CONTRIBUTION TO TOTAL CPI (ALL GROUPS) INDEX POINTS)		CHANGE IN POINTS CONTRIBUTION
	Mar Qtr 2007	Dec Qtr 2007	Mar Qtr 2008	Dec Qtr 2007 to Mar Qtr 2008	Mar Qtr 2007 to Mar Qtr 2008	Dec Qtr 2007	Mar Qtr 2008	Dec Qtr 2007 to Mar Qtr 2008
Food	169.9	175.9	179.6	2.1	5.7	25.79	26.34	0.55
Dairy and related products	180.6	194.9	199.2	2.2	10.3	2.03	2.08	0.05
Milk	195.9	213.5	218.7	2.4	11.6	0.95	0.98	0.03
Cheese	159.3	177.1	183.2	3.4	15.0	0.58	0.60	0.02
Ice cream and other dairy products	170.2	174.1	174.9	0.5	2.8	0.50	0.50	0.00
Bread and cereal products	181.3	188.3	195.7	3.9	7.9	2.92	3.03	0.11
Bread	213.1	223.3	232.2	4.0	9.0	1.15	1.19	0.04
Cakes and biscuits	167.8	172.4	178.4	3.5	6.3	1.17	1.21	0.04
Breakfast cereals	147.2	154.1	157.2	2.0	6.8	0.32	0.32	0.00
Other cereal products	146.2	151.6	163.1	7.6	11.6	0.28	0.30	0.02
Meat and seafoods	149.4	152.8	156.5	2.4	4.8	3.79	3.88	0.09
Beef and veal	160.8	162.5	167.5	3.1	4.2	0.75	0.77	0.02
Lamb and mutton	208.0	213.4	218.1	2.2	4.9	0.41	0.42	0.01
Pork	174.2	173.7	177.6	2.2	2.0	0.25	0.26	0.01
Poultry	96.8	103.0	108.0	4.9	11.6	0.73	0.76	0.03
Bacon and ham	145.9	139.9	144.6	3.4	-0.9	0.35	0.36	0.01
Other fresh and processed meat	160.4	164.7	165.7	0.6	3.3	0.61	0.61	0.00
Fish and other seafood	136.6	141.3	142.2	0.6	4.1	0.69	0.70	0.01
Fruit and vegetables	165.1	173.0	175.3	1.3	6.2	3.92	3.97	0.05
Fruit	184.1	189.2	188.1	-0.6	2.2	1.81	1.80	-0.01
Vegetables	153.3	163.4	168.2	2.9	9.7	2.12	2.18	0.06
Non-alcoholic drinks and snack food	174.2	179.5	183.1	2.0	5.1	3.25	3.31	0.06
Soft drinks, waters and juices	156.2	161.9	165.8	2.4	6.1	1.52	1.56	0.04
Snacks and confectionery	197.1	202.2	205.6	1.7	4.3	1.72	1.75	0.03
Meals out and take away foods	175.9	181.3	184.3	1.7	4.8	7.43	7.55	0.12
Restaurant meals	180.0	185.2	187.0	1.0	3.9	3.25	3.28	0.03
Take away and fast foods	174.6	180.2	184.3	2.3	5.6	4.17	4.27	0.10
Other food	159.0	161.7	164.9	2.0	3.7	2.46	2.51	0.05
Eggs	200.6	201.9	212.4	5.2	5.9	0.18	0.19	0.01
Jams, honey and sandwich spreads	192.6	196.4	198.8	1.2	3.2	0.24	0.25	0.01
Tea, coffee and food drinks	146.7	150.7	154.4	2.5	5.2	0.40	0.41	0.01
Food additives and condiments	139.7	140.4	141.3	0.6	1.1	0.44	0.44	0.00
Fats and oils	170.7	173.3	177.3	2.3	3.9	0.32	0.33	0.01
Food n.e.c.	155.7	158.9	162.0	2.0	4.0	0.88	0.90	0.02
Alcohol and tobacco	241.6	248.2	250.7	1.0	3.8	10.96	11.08	0.12
Alcoholic drinks	175.8	181.0	183.3	1.3	4.3	7.02	7.11	0.09
Beer	194.4	203.5	206.7	1.6	6.3	3.23	3.28	0.05
Wine	148.3	149.4	150.8	0.9	1.7	2.35	2.37	0.02
Spirits	177.3	182.2	184.3	1.2	3.9	1.43	1.45	0.02
Tobacco	426.3	436.2	439.0	0.6	3.0	3.95	3.97	0.02
Clothing and footwear	107.7	109.8	107.2	-2.4	-0.5	5.78	5.64	-0.14
Men's clothing	104.8	106.7	102.9	-3.6	-1.8	1.09	1.05	-0.04
Men's outerwear	101.8	103.8	100.4	-3.3	-1.4	0.93	0.89	-0.04
Men's underwear, nightwear and socks	121.7	122.5	116.1	-5.2	-4.6	0.17	0.16	-0.01
Women's clothing	108.5	109.2	108.7	-0.5	0.2	2.02	2.01	-0.01
Women's outerwear	101.5	101.2	101.2	0.0	-0.3	1.60	1.60	0.00
Women's underwear, nightwear and hosiery	137.8	143.6	140.4	-2.2	1.9	0.42	0.41	-0.01
Children's and infants' clothing	116.0	116.7	112.1	-3.9	-3.4	0.59	0.57	-0.02
Footwear	98.3	98.5	95.8	-2.7	-2.5	0.96	0.94	-0.02
Men's footwear	93.0	91.6	89.1	-2.7	-4.2	0.26	0.25	-0.01
Women's footwear	103.3	103.6	99.9	-3.6	-3.3	0.52	0.50	-0.02
Children's footwear	97.0	99.2	98.6	-0.6	1.6	0.19	0.18	-0.01
Accessories and clothing services(b)	103.7	111.1	106.8	-3.9	3.0	1.11	1.07	-0.04
Accessories(b)	86.9	94.7	89.7	-5.3	3.2	0.86	0.81	-0.05
Clothing services and shoe repair	185.5	188.6	190.0	0.7	2.4	0.26	0.26	0.00

(a) Unless otherwise specified, base of each index: 1989-90 = 100.0.

(b) Base: June quarter 1998 = 100.0.

continued

Group, sub-group and expenditure class	INDEX NUMBERS (a)			PERCENTAGE CHANGE		CONTRIBUTION TO TOTAL CPI (ALL GROUPS INDEX POINTS)		CHANGE IN POINTS CONTRIBUTION
	Mar Qtr 2007	Dec Qtr 2007	Mar Qtr 2008	Dec Qtr 2007 to Mar Qtr 2008	Mar Qtr 2007 to Mar Qtr 2008	Dec Qtr 2007	Mar Qtr 2008	Dec Qtr 2007 to Mar Qtr 2008
Housing	134.2	139.3	141.9	1.9	5.7	31.98	32.59	0.61
Rents	152.6	160.2	163.4	2.0	7.1	8.66	8.82	0.16
Utilities	170.0	176.9	183.5	3.7	7.9	5.20	5.40	0.20
Electricity	161.2	167.3	177.4	6.0	10.0	2.70	2.86	0.16
Gas and other household fuels	190.3	195.0	200.5	2.8	5.4	1.15	1.18	0.03
Water and sewerage(b)	140.2	148.5	148.5	0.0	5.9	1.35	1.35	0.00
Other housing	127.7	131.8	133.5	1.3	4.5	18.13	18.37	0.24
House purchase(b)	154.0	159.0	161.7	1.7	5.0	12.71	12.92	0.21
Property rates and charges(b)	156.2	163.3	163.3	0.0	4.5	1.99	1.99	0.00
House repairs and maintenance	163.5	167.1	168.4	0.8	3.0	3.43	3.45	0.02
Household contents and services	123.6	123.5	122.7	-0.6	-0.7	14.52	14.43	-0.09
Furniture and furnishings	126.8	130.7	126.8	-3.0	0.0	4.72	4.58	-0.14
Furniture	126.7	132.4	127.6	-3.6	0.7	2.98	2.87	-0.11
Floor and window coverings	145.1	146.2	146.0	-0.1	0.6	1.20	1.19	-0.01
Towels and linen	100.4	100.7	95.2	-5.5	-5.2	0.54	0.51	-0.03
Household appliances, utensils and tools	101.9	103.2	101.9	-1.3	0.0	2.58	2.54	-0.04
Major household appliances	106.2	105.9	105.3	-0.6	-0.8	0.97	0.96	-0.01
Small electric household appliances	92.7	94.7	93.4	-1.4	0.8	0.39	0.38	-0.01
Glassware, tableware and household utensils	92.9	97.1	93.8	-3.4	1.0	0.70	0.68	-0.02
Tools	111.0	110.2	110.5	0.3	-0.5	0.52	0.52	0.00
Household supplies	137.3	137.7	138.5	0.6	0.9	4.45	4.47	0.02
Household cleaning agents	130.3	130.5	131.6	0.8	1.0	0.50	0.51	0.01
Toiletries and personal care products	144.8	144.4	144.4	0.0	-0.3	1.78	1.78	0.00
Other household supplies	142.4	143.6	144.9	0.9	1.8	2.17	2.19	0.02
Household services	232.2	216.1	220.3	1.9	-5.1	2.78	2.83	0.05
Child care	251.3	172.3	180.1	4.5	-28.3	0.57	0.60	0.03
Hairdressing and personal care services	186.8	191.4	193.0	0.8	3.3	1.22	1.23	0.01
Other household services	225.3	231.6	235.7	1.8	4.6	0.99	1.01	0.02
Health	225.7	226.9	236.0	4.0	4.6	7.48	7.78	0.30
Health services	241.2	250.3	254.2	1.6	5.4	5.88	5.97	0.09
Hospital and medical services	252.6	262.3	266.4	1.6	5.5	4.57	4.64	0.07
Optical services	147.2	149.5	150.0	0.3	1.9	0.18	0.18	0.00
Dental services	229.7	238.5	242.3	1.6	5.5	1.13	1.15	0.02
Pharmaceuticals	166.6	150.0	169.7	13.1	1.9	1.59	1.80	0.21
Transportation	155.8	163.3	166.4	1.9	6.8	21.33	21.75	0.42
Private motoring	152.2	159.6	162.8	2.0	7.0	20.14	20.54	0.40
Motor vehicles	99.5	98.9	98.5	-0.4	-1.0	7.25	7.22	-0.03
Automotive fuel	199.9	225.4	237.6	5.4	18.9	6.93	7.31	0.38
Motor vehicle repair and servicing	151.4	155.7	156.7	0.6	3.5	3.16	3.17	0.01
Motor vehicle parts and accessories	123.0	128.2	130.4	1.7	6.0	1.12	1.14	0.02
Other motoring charges	214.3	222.9	224.6	0.8	4.8	1.68	1.70	0.02
Urban transport fares	218.4	227.0	230.1	1.4	5.4	1.19	1.21	0.02
Communication	111.0	111.2	111.1	-0.1	0.1	4.94	4.94	0.00
Postal	139.5	143.2	143.3	0.1	2.7	0.17	0.18	0.01
Telecommunication	108.6	108.7	108.7	0.0	0.1	4.77	4.76	-0.01

(a) Unless otherwise specified, base of each index: 1989-90 = 100.0.

(b) Base: June quarter 1998 = 100.0.

continued

Group, sub-group and expenditure class	INDEX NUMBERS(a)			PERCENTAGE CHANGE		CONTRIBUTION TO TOTAL CPI (ALL GROUPS INDEX POINTS)		CHANGE IN POINTS CONTRIBUTION
	Mar Qtr 2007	Dec Qtr 2007	Mar Qtr 2008	Dec Qtr 2007 to Mar Qtr 2008	Mar Qtr 2007 to Mar Qtr 2008	Dec Qtr 2007	Mar Qtr 2008	Dec Qtr 2007 to Mar Qtr 2008
Recreation	133.9	136.2	135.8	-0.3	1.4	17.95	17.89	-0.06
Audio, visual and computing	48.9	47.1	45.7	-3.0	-6.5	3.82	3.71	-0.11
Audio, visual and computing equipment	24.6	22.4	21.1	-5.8	-14.2	1.77	1.67	-0.10
Audio, visual and computing media and services	96.9	97.8	97.6	-0.2	0.7	2.04	2.04	0.00
Books, newspapers and magazines	213.1	215.8	218.2	1.1	2.4	1.32	1.34	0.02
Books(b)	126.4	126.9	129.0	1.7	2.1	0.67	0.68	0.01
Newspapers and magazines(b)	144.6	147.8	148.6	0.5	2.8	0.65	0.65	0.00
Sport and other recreation	170.2	174.6	176.7	1.2	3.8	5.96	6.03	0.07
Sports and recreational equipment(b)	86.1	86.0	86.3	0.3	0.2	0.79	0.79	0.00
Toys, games and hobbies(b)	94.5	93.8	95.1	1.4	0.6	0.73	0.74	0.01
Sports participation(b)	154.6	162.6	163.7	0.7	5.9	1.21	1.22	0.01
Pets, pet foods and supplies	155.1	160.9	162.3	0.9	4.6	0.69	0.70	0.01
Pet services including veterinary	211.2	217.8	220.1	1.1	4.2	0.73	0.74	0.01
Other recreational activities(b)	148.4	152.7	155.8	2.0	5.0	1.81	1.84	0.03
Holiday travel and accommodation	142.5	148.8	148.1	-0.5	3.9	6.85	6.82	-0.03
Domestic holiday travel and accommodation	155.1	158.1	155.9	-1.4	0.5	3.90	3.84	-0.06
Overseas holiday travel and accommodation	127.2	137.3	138.2	0.7	8.6	2.95	2.97	0.02
Education	270.9	268.6	282.5	5.2	4.3	4.43	4.66	0.23
Preschool and primary education(c)	157.6	151.0	159.8	5.8	1.4	0.86	0.91	0.05
Secondary education(c)	158.3	158.3	168.7	6.6	6.6	1.61	1.71	0.10
Tertiary education(c)	130.2	130.2	135.1	3.8	3.8	1.96	2.04	0.08
Financial and insurance services(d)	102.8	108.0	109.8	1.7	6.8	14.91	15.17	0.26
Financial services(d)	102.3	107.9	109.7	1.7	7.2	12.50	12.70	0.20
Deposit and loan facilities(d)	100.3	106.6	107.9	1.2	7.6	7.06	7.15	0.09
Other financial services(d)	105.0	109.8	112.0	2.0	6.7	5.44	5.55	0.11
Insurance services	261.7	269.6	275.3	2.1	5.2	2.41	2.46	0.05
All groups	155.6	160.1	162.2	1.3	4.2	160.1	162.2	2.1

(a) Unless otherwise specified, base of each index: 1989-90 = 100.0.

(b) Base: June quarter 1998 = 100.0.

(c) Base: June quarter 2000 = 100.0.

(d) Base: June quarter 2005 = 100.0.

	INDEX NUMBERS(b)			PERCENTAGE CHANGE		CONTRIBUTION TO TOTAL CPI (ALL GROUPS INDEX POINTS)		CHANGE IN POINTS CONTRIBUTION
	Mar Qtr 2007	Dec Qtr 2007	Mar Qtr 2008	Dec Qtr 2007 to Mar Qtr 2008	Mar Qtr 2007 to Mar Qtr 2008	Dec Qtr 2007	Mar Qtr 2008	Dec Qtr 2007 to Mar Qtr 2008
All groups	155.60	160.1	162.2	1.3	4.2	160.1	162.2	2.1
Selected components								
Goods component	153.5	157.7	159.8	1.3	4.1	92.93	94.17	1.24
Services component	160.1	164.9	167.2	1.4	4.4	67.16	68.08	0.92
Tradables component(c)	116.9	119.8	120.8	0.8	3.3	65.48	66.02	0.54
Non-tradables component(c)	139.2	143.6	146.1	1.7	5.0	94.61	96.23	1.62
All groups excluding								
Food	152.8	157.0	158.9	1.2	4.0	134.30	135.91	1.61
Alcohol and tobacco	149.6	153.9	156.1	1.4	4.3	149.13	151.17	2.04
Clothing and footwear	158.8	163.4	165.8	1.5	4.4	154.31	156.61	2.30
Housing	158.4	162.6	164.6	1.2	3.9	128.11	129.66	1.55
Household contents and services	160.4	165.5	168.1	1.6	4.8	145.57	147.82	2.25
Health	152.3	156.9	158.8	1.2	4.3	152.61	154.47	1.86
Transportation	155.7	159.7	161.7	1.3	3.9	138.76	140.50	1.74
Communication	156.6	161.3	163.5	1.4	4.4	155.15	157.31	2.16
Recreation	158.8	163.5	166.1	1.6	4.6	142.14	144.36	2.22
Education	154.1	158.7	160.6	1.2	4.2	155.66	157.59	1.93
Financial and insurance services	162.5	166.8	169.0	1.3	4.0	145.18	147.08	1.90
Housing and Financial and insurance services	159.0	162.7	164.5	1.1	3.5	113.19	114.50	1.31
Hospital and medical services	153.1	157.5	159.6	1.3	4.2	155.52	157.60	2.08

(a) Refer to paragraphs 11 and 12 of the Explanatory Notes for a description of these series.

(b) Unless otherwise specified, base of each index: 1989-90 = 100.0.

(c) Base: June quarter 1998 = 100.0.

ANALYTICAL SERIES, Index numbers(a)(b)

Period	All groups	All groups excluding Housing and Financial and insurance services	All groups excluding 'volatile items'	MARKET GOODS AND SERVICES EXCLUDING 'VOLATILE ITEMS'				
				Goods	Services	Total	Tradables(c)	Non-tradables(c)
2003-04	143.5	147.3	150.8	141.6	157.7	146.1	111.5	125.1
2004-05	147.0	150.3	154.0	143.2	161.5	148.4	112.6	129.6
2005-06	151.7	155.2	157.6	145.6	165.2	151.2	116.0	133.9
2006-07	156.1	159.8	161.7	148.2	170.0	154.6	118.5	138.6
2004								
March	144.1	147.9	151.1	141.5	158.0	146.1	111.8	125.8
June	144.8	148.6	151.8	142.0	158.6	146.7	112.0	126.7
September	145.4	148.8	152.5	142.2	159.9	147.2	111.9	127.8
December	146.5	149.9	153.4	143.1	161.2	148.2	112.6	128.8
2005								
March	147.5	150.8	154.7	143.4	162.5	148.8	112.5	130.5
June	148.4	151.7	155.3	144.2	162.4	149.3	113.4	131.1
September	149.8	153.2	156.2	144.9	163.4	150.2	114.8	132.2
December	150.6	153.7	156.9	145.3	164.8	150.9	114.8	133.3
2006								
March	151.9	155.4	158.1	145.7	165.6	151.4	115.7	134.5
June	154.3	158.4	159.1	146.4	166.8	152.3	118.8	135.6
September	155.7	159.7	160.3	147.3	168.2	153.4	119.8	136.9
December	155.5	159.2	161.1	147.8	170.1	154.4	118.1	138.0
2007								
March	155.6	159.0	162.1	148.3	170.3	154.8	116.9	139.2
June	157.5	161.2	163.3	149.5	171.3	155.9	119.2	140.2
September	158.6	161.5	164.4	149.9	174.1	157.2	119.4	141.7
December	160.1	162.7	166.0	151.3	176.7	159.0	119.8	143.6
2008								
March	162.2	164.5	168.0	152.1	178.6	160.2	120.8	146.1

(a) Unless otherwise specified, base of each index: 1989-90 = 100.0.

(c) Base: June quarter 1998 = 100.0.

(b) Refer to paragraphs 11-13 of the Explanatory Notes for a description of these series.

Period	All groups excluding Housing and Financial and insurance services			MARKET GOODS AND SERVICES EXCLUDING 'VOLATILE ITEMS'					RBA CONSUMER PRICE MEASURES	
	All groups		All groups excluding 'volatile items'	Goods	Services	Total	Tradables	Non-tradables	Weighted median	Trimmed mean
PERCENTAGE CHANGE (from previous financial year)										
2003-04	2.4	1.9	2.3	1.4	1.9	1.6	0.2	4.3	2.7	2.5
2004-05	2.4	2.0	2.1	1.1	2.4	1.6	1.0	3.6	2.5	2.5
2005-06	3.2	3.3	2.3	1.7	2.3	1.9	3.0	3.3	2.6	2.6
2006-07	2.9	3.0	2.6	1.8	2.9	2.2	2.2	3.5	2.9	2.8
PERCENTAGE CHANGE (from corresponding quarter of previous year)										
2004										
March	2.0	1.4	2.1	1.1	1.8	1.3	-0.5	4.1	2.5	2.4
June	2.5	2.1	1.9	0.9	1.9	1.2	0.5	4.1	2.6	2.5
September	2.3	2.0	1.8	0.6	2.4	1.2	0.7	3.6	2.5	2.4
December	2.6	2.3	2.1	1.2	2.1	1.4	1.4	3.5	2.6	2.7
2005										
March	2.4	2.0	2.4	1.3	2.8	1.8	0.6	3.7	2.4	2.6
June	2.5	2.1	2.3	1.5	2.4	1.8	1.3	3.5	2.5	2.6
September	3.0	3.0	2.4	1.9	2.2	2.0	2.6	3.4	2.4	2.6
December	2.8	2.5	2.3	1.5	2.2	1.8	2.0	3.5	2.4	2.3
2006										
March	3.0	3.1	2.2	1.6	1.9	1.7	2.8	3.1	2.7	2.6
June	4.0	4.4	2.4	1.5	2.7	2.0	4.8	3.4	2.9	2.8
September	3.9	4.2	2.6	1.7	2.9	2.1	4.4	3.6	r3.0	2.9
December	3.3	3.6	2.7	1.7	3.2	2.3	2.9	3.5	2.9	2.9
2007										
March	2.4	2.3	2.5	1.8	2.8	2.2	1.0	3.5	2.9	2.7
June	2.1	1.8	2.6	2.1	2.7	2.4	0.3	3.4	2.9	2.7
September	1.9	1.1	2.6	1.8	3.5	2.5	-0.3	3.5	r3.2	2.9
December	3.0	2.2	3.0	2.4	3.9	3.0	1.4	4.1	3.8	3.4
2008										
March	4.2	3.5	3.6	2.6	4.9	3.5	3.3	5.0	4.4	4.1
PERCENTAGE CHANGE (from previous quarter)										
2004										
March	0.9	0.9	0.5	0.1	0.1	0.0	0.6	1.1	0.6	0.6
June	0.5	0.5	0.5	0.4	0.4	0.4	0.2	0.7	0.7	0.6
September	0.4	0.1	0.5	0.1	0.8	0.3	-0.1	0.9	0.6	0.6
December	0.8	0.7	0.6	0.6	0.8	0.7	0.6	0.8	0.6	0.7
2005										
March	0.7	0.6	0.8	0.2	0.8	0.4	-0.1	1.3	0.5	0.6
June	0.6	0.6	0.4	0.6	-0.1	0.3	0.8	0.5	0.7	0.7
September	0.9	1.0	0.6	0.5	0.6	0.6	1.2	0.8	0.6	0.6
December	0.5	0.3	0.4	0.3	0.9	0.5	0.0	0.8	0.6	0.5
2006										
March	0.9	1.1	0.8	0.3	0.5	0.3	0.8	0.9	0.8	0.8
June	1.6	1.9	0.6	0.5	0.7	0.6	2.7	0.8	0.9	0.9
September	0.9	0.8	0.8	0.6	0.8	0.7	0.8	1.0	r0.7	0.7
December	-0.1	-0.3	0.5	0.3	1.1	0.7	-1.4	0.8	0.5	0.5
2007										
March	0.1	-0.1	0.6	0.3	0.1	0.3	-1.0	0.9	0.7	0.6
June	1.2	1.4	0.7	0.8	0.6	0.7	2.0	0.7	r1.0	0.9
September	0.7	0.2	0.7	0.3	1.6	0.8	0.2	1.1	1.0	0.9
December	0.9	0.7	1.0	0.9	1.5	1.1	0.3	1.3	1.1	1.0
2008										
March	1.3	1.1	1.2	0.5	1.1	0.8	0.8	1.7	1.3	1.2

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(a) Refer to paragraphs 11-13 of the Explanatory Notes for a description of these series.

<i>Period</i>	<i>Australia</i>	<i>New Zealand</i>	<i>Hong Kong</i>	<i>Indonesia</i>	<i>Japan</i>	<i>Korea, Republic of</i>	<i>Singapore</i>	<i>Taiwan</i>	<i>Canada</i>	<i>United States of America</i>	<i>Germany</i>	<i>United Kingdom</i>
2003-04	147.3	130.5	158.5	524.4	106.1	197.4	124.2	131.1	136.9	141.8	128.9	147.9
2004-05	150.3	132.9	161.2	560.2	106.2	204.9	125.6	134.7	139.3	146.2	131.1	149.7
2005-06	155.2	136.8	162.6	646.6	106.1	210.4	126.9	138.2	142.2	152.6	133.1	152.8
2006-07	159.8	139.6	164.7	697.0	106.4	215.4	127.8	138.4	143.8	155.6	135.0	157.6
2004												
March	147.9	130.6	159.0	526.4	105.8	199.1	125.1	131.2	136.9	141.8	129.2	147.9
June	148.6	131.3	160.0	538.3	106.2	200.5	125.3	132.6	138.6	144.0	130.2	148.9
September	148.8	131.8	160.0	539.1	106.2	203.2	125.7	134.5	138.5	144.3	130.6	148.6
December	149.9	132.8	161.6	553.0	106.8	203.0	125.6	134.2	138.9	145.7	130.6	149.5
2005												
March	150.8	133.1	161.4	571.4	105.6	206.0	125.4	133.9	139.2	146.2	131.2	149.7
June	151.7	133.9	161.9	577.1	106.1	207.3	125.6	136.2	140.6	148.6	131.8	151.1
September	153.2	135.3	162.1	589.5	105.8	208.7	126.3	139.8	141.9	150.9	132.8	151.4
December	153.7	136.1	162.6	655.1	106.1	208.8	127.1	138.5	141.5	152.0	132.9	152.3
2006												
March	155.4	136.7	162.2	668.6	105.9	211.4	127.2	136.0	141.9	152.4	132.8	152.5
June	158.4	138.9	163.4	673.3	106.5	212.5	127.1	138.6	143.6	155.2	133.7	154.9
September	159.7	139.5	164.0	681.5	106.8	214.3	127.3	138.5	143.3	155.7	134.2	156.0
December	159.2	138.8	164.3	698.8	106.5	213.6	127.9	137.7	142.2	153.4	134.2	157.1
2007												
March	159.0	139.3	164.8	710.7	105.8	215.7	127.7	137.2	143.7	154.8	135.1	157.7
June	161.2	140.6	165.7	nya	106.4	218.1	128.4	140.3	145.9	158.5	136.5	159.6
September	161.5	140.8	167.4	nya	106.6	219.5	131.1	141.3	145.4	158.5	137.3	159.2
December	162.7	142.7	169.4	nya	107.2	220.9	133.2	146.2	144.7	160.1	138.3	161.2
2008												
March	164.5	143.5	nya	nya	nya	223.8	nya	143.9	145.0	161.9	139.1	nya

nya not yet available

(a) Base of each index: 1989-90 = 100.0.

<i>Period</i>	<i>Australia</i>	<i>New Zealand</i>	<i>Hong Kong</i>	<i>Indonesia</i>	<i>Japan</i>	<i>Korea, Republic of</i>	<i>Singapore</i>	<i>Taiwan</i>	<i>Canada</i>	<i>United States of America</i>	<i>Germany</i>	<i>United Kingdom</i>
PERCENTAGE CHANGE (from previous financial year)												
2003-04	1.9	0.3	-0.3	5.8	-0.3	3.4	1.5	0.5	1.3	2.1	1.2	1.4
2004-05	2.0	1.8	1.7	6.8	0.1	3.8	1.1	2.7	1.8	3.1	1.7	1.2
2005-06	3.3	2.9	0.9	15.4	-0.1	2.7	1.0	2.6	2.1	4.4	1.5	2.1
2006-07	3.0	2.0	1.3	7.8	0.3	2.4	0.7	0.1	1.1	2.0	1.4	3.1

PERCENTAGE CHANGE (from corresponding quarter of previous year)

2004												
March	1.4	0.0	0.4	5.1	-0.2	3.3	2.0	0.8	0.5	1.5	1.0	1.3
June	2.1	1.0	1.5	7.0	-0.3	3.5	2.4	1.8	2.1	2.8	2.0	1.2
September	2.0	1.5	2.0	5.7	-0.1	4.7	2.2	3.9	1.7	2.6	2.0	1.0
December	2.3	1.9	2.1	5.7	0.7	3.7	1.9	2.4	2.1	3.6	2.0	1.2
2005												
March	2.0	1.9	1.5	8.5	-0.2	3.5	0.2	2.1	1.7	3.1	1.5	1.2
June	2.1	2.0	1.2	7.2	-0.1	3.4	0.2	2.7	1.4	3.2	1.2	1.5
September	3.0	2.6	1.3	9.3	-0.4	2.7	0.5	3.9	2.5	4.6	1.7	1.9
December	2.5	2.5	0.6	18.5	-0.7	2.9	1.2	3.2	1.9	4.3	1.8	1.9
2006												
March	3.1	2.7	0.5	17.0	0.3	2.6	1.4	1.6	1.9	4.2	1.2	1.9
June	4.4	3.7	0.9	16.7	0.4	2.5	1.2	1.8	2.1	4.4	1.4	2.5
September	4.2	3.1	1.2	15.6	1.0	2.7	0.8	-0.9	1.0	3.2	1.1	3.0
December	3.6	1.9	1.0	6.5	0.4	2.3	0.6	-0.6	0.5	0.9	1.0	3.2
2007												
March	2.3	1.9	1.6	6.3	-0.1	2.0	0.4	0.9	1.3	1.6	1.7	3.4
June	1.8	1.2	1.4	nya	-0.1	2.6	1.0	1.2	1.6	2.1	2.1	3.0
September	1.1	1.0	1.0	nya	-0.2	2.4	3.0	1.7	1.5	1.8	2.3	2.1
December	2.2	2.8	3.1	nya	0.6	3.4	4.1	5.8	1.8	4.4	3.1	2.6
2008												
March	3.5	3.0	nya	nya	nya	3.8	nya	4.9	0.9	4.6	0.3	nya

PERCENTAGE CHANGE (from previous quarter)

2004												
March	0.9	0.2	0.5	0.6	-0.3	1.7	1.5	0.1	0.7	0.9	0.9	0.1
June	0.5	0.5	0.6	2.3	0.4	0.7	0.2	1.1	1.2	1.6	0.8	0.7
September	0.1	0.4	0.0	0.1	0.0	1.3	0.3	1.4	-0.1	0.2	0.3	-0.2
December	0.7	0.7	1.0	2.6	0.6	-0.1	-0.1	-0.2	0.3	1.0	0.0	0.6
2005												
March	0.6	0.2	-0.1	3.3	-1.1	1.5	-0.2	-0.2	0.2	0.3	0.5	0.1
June	0.6	0.6	0.3	1.0	0.5	0.6	0.2	1.7	1.0	1.6	0.5	0.9
September	1.0	1.0	0.1	2.1	-0.3	0.7	0.6	2.6	0.9	1.5	0.8	0.2
December	0.3	0.6	0.3	11.1	0.3	0.0	0.6	-0.9	-0.3	0.7	0.1	0.6
2006												
March	1.1	0.4	-0.2	2.1	-0.2	1.2	0.1	-1.8	0.3	0.3	-0.1	0.1
June	1.9	1.6	0.7	0.7	0.6	0.5	-0.1	1.9	1.2	1.8	0.7	1.6
September	0.8	0.4	0.4	1.2	0.3	0.8	0.2	-0.1	-0.2	0.3	0.4	0.7
December	-0.3	-0.5	0.2	2.4	-0.3	-0.3	0.5	-0.6	-0.8	-1.5	0.0	0.7
2007												
March	-0.1	0.4	0.3	1.9	-0.7	1.0	-0.2	-0.4	1.1	0.9	0.7	0.4
June	1.4	0.9	0.5	nya	0.6	1.1	0.5	2.3	1.5	2.4	1.0	1.2
September	0.2	0.2	1.0	nya	0.2	0.6	2.1	1.6	-0.3	0.0	0.6	-0.3
December	0.7	1.3	1.2	nya	0.5	0.6	1.6	3.4	-0.5	1.0	0.7	1.3
2008												
March	1.1	0.6	nya	nya	nya	1.3	nya	-1.6	0.2	1.1	0.6	nya

nya not yet available

EXPLANATORY NOTES

BRIEF DESCRIPTION OF THE CPI

1 The Consumer Price Index (CPI) measures quarterly changes in the price of a 'basket' of goods and services which account for a high proportion of expenditure by the CPI population group (i.e. metropolitan households). This 'basket' covers a wide range of goods and services, arranged in the following eleven groups:

- Food
- Alcohol and tobacco
- Clothing and footwear
- Housing
- Household contents and services
- Health
- Transportation
- Communication
- Recreation
- Education
- Financial and insurance services.

2 The capital city indexes measure price movements over time in each city individually. They do not measure differences in retail price levels between cities.

3 Further information about the CPI is contained in *Australian Consumer Price Index: Concepts, Sources and Methods, 2005* (cat. no. 6461.0) which is available on the ABS website <<http://www.abs.gov.au>>.

PRICES

4 The frequency of price collection by item varies as necessary to obtain reliable price measures. Prices of some items are volatile (i.e. their prices may vary many times each quarter) and for these items frequent price observations are necessary to obtain a reliable measure of the average price for the quarter. Each month prices are collected at regular intervals for goods such as milk, bread, fresh meat and seafood, fresh fruit and vegetables, alcohol, tobacco, women's outerwear, project homes, motor vehicles, petrol and holiday travel and accommodation. For most other items, price volatility is not a problem and prices are collected once a quarter. There are a few items where prices are changed at infrequent intervals, for example education fees where prices are set once a year. In these cases, the frequency of price collection is modified accordingly.

5 In order to facilitate a more even spread of field collection workload, the number of items for which prices are collected quarterly is distributed roughly equally across each month of each quarter. In all cases, however, individual items are priced in the same month of each quarter. For example, items for which prices are collected in the first month of the September quarter, July, are also priced in the first month of subsequent quarters, namely October, January and April.

WEIGHTING PATTERN

6 There are 90 expenditure classes (that is, groupings of like items) in the fifteenth series CPI and each expenditure class has its own weight, or measure of relative importance. In calculating the index, price changes for the various expenditure classes are combined using these weights.

7 Changes in the weighting pattern have been made at approximately five-yearly intervals to take account of changes in household spending patterns. The CPI now comprises fifteen series of price indexes which have been linked to form a continuous series. The current and historical weighting patterns for the CPI for the weighted average of the eight capital cities is published in *Consumer Price Index: Historical Weighting Patterns (1948 to 2005)* (cat. no. 6431). The 15th series weighting pattern for the weighted average of eight capital cities and for each of the eight capital cities, as well as each city's percentage contribution to the weighted average, are also published in the *Consumer Price Index: 15th Series Weighting Pattern (Reissue)* (cat. no. 6430.0)

EXPLANATORY NOTES *continued*

WEIGHTING PATTERN *continued*

(electronic publication). Both publications are available on the ABS website <<http://www.abs.gov.au>>.

ANALYSIS OF CPI CHANGES

8 Movements in indexes from one period to another can be expressed either as changes in index points or as percentage changes. The following example illustrates the method of calculating changes in index points and percentage changes between any two periods:

All groups CPI: Weighted average of eight capital cities.

	Index numbers:
March Quarter 2008	162.2 (see table 1)
less December Quarter 2007	160.1 (see table 1)
Change in index points	2.1
Percentage change	$2.1/160.1 \times 100 = 1.3\%$

9 Percentage changes are calculated to illustrate three different kinds of movements in index numbers:

- movements between consecutive financial years (where the index numbers for financial years are simple averages of the quarterly index numbers)
- movements between corresponding quarters of consecutive years
- movements between consecutive quarters.

10 Table 7 provides a detailed analysis, for the weighted average of eight capital cities, of movements in the CPI since the previous quarter, including information on movements for groups, sub-groups and expenditure classes. It also shows the contribution which each makes to the total CPI. For instance, the dairy and related products sub-group contributed 2.08 index points to the total All groups index number of 162.2 for March Quarter 2008. The final column shows contributions to the change in All Groups index points by each group, sub-group and expenditure class.

SPECIAL SERIES

11 Various series are presented in tables 8, 9 and 10 in this publication which are helpful for analytical purposes. These series are compiled by taking subsets of the CPI basket. (A complete list of CPI groups, sub-groups and expenditure classes is contained in tables 6 and 7.)

12 Some of the compiled series are self explanatory, such as 'All groups excluding Food'. Other series and their composition are described below:

- *All groups excluding Financial and insurance services*: Reflecting the changing composition of the CPI, from September quarter 1989 to June quarter 1998, comprises the All groups CPI excluding house insurance, house contents insurance, vehicle insurance and mortgage interest charges and consumer credit charges; from September quarter 1998 to June quarter 2000 comprises the All groups CPI excluding house insurance, house contents insurance and vehicle insurance; from September quarter 2000 to June quarter 2005 comprises the All groups CPI excluding insurance services; from September quarter 2005 comprises the All groups CPI excluding Financial and insurance services.
- *All groups excluding Housing and Financial and insurance services*: Reflecting the changing composition of the CPI, from September quarter 1989 to June quarter 1998, comprises the All groups CPI excluding Housing, house contents insurance, vehicle insurance and consumer credit charges; from September quarter 1998 to June quarter 2000 comprises the All groups CPI excluding Housing, house insurance, house contents insurance and vehicle insurance; from September quarter 2000 to June quarter 2005 comprises the All groups CPI excluding Housing and insurance services; from September quarter 2005 comprises the All groups CPI excluding Housing and Financial and insurance services.

EXPLANATORY NOTES *continued*

SPECIAL SERIES *continued*

- *All groups, goods component*: comprises the Food group (except Restaurant meals expenditure class), Alcohol and tobacco group, Clothing and footwear group (except Clothing services and shoe repair expenditure class) and Household contents and services group (except Household services sub-group); the Utilities, Audio, visual and computing and Books, newspapers and magazines sub-groups; and the House purchase, Pharmaceuticals, Motor vehicles, Automotive fuel, Motor vehicle parts and accessories, Sports and recreational equipment, Toys, games and hobbies and Pets, pet foods and supplies expenditure classes.
- *All groups, services component*: comprises all items not included in the 'All groups, goods component'.
- *All groups, tradables component*: comprises all items whose prices are largely determined on the world market.
- *All groups, non-tradables component*: comprises all items not included in the 'All groups, tradables component'.
- *All groups excluding 'volatile items'*: comprises the All groups CPI excluding Fruit and vegetables and Automotive fuel.
- *RBA measures 'Weighted median' and 'Trimmed mean'*: These measures are calculated following the methodology adopted by the Reserve Bank of Australia. The 'Trimmed mean' is calculated by ordering the CPI expenditure class components by their price change in the quarter and taking the expenditure weighted average of the middle 70 per cent of these price changes. The 'Weighted median' is the price change of the component in the middle of this ordering. For calculating the 'Weighted median' and 'Trimmed mean' series, where CPI components are identified as having a seasonal pattern, quarterly price changes are estimated on a seasonally adjusted basis. Seasonal adjustment factors are calculated using the history of price changes up to the current quarter CPI and are revised each quarter. These revisions to the seasonal adjustment factors lead to revisions in the 'Weighted median' and 'Trimmed mean' series. Movements in the series from one period to another are expressed as percentage changes (see paragraph 9).

13 Market goods and services excluding 'volatile items': in addition to the items excluded from the series 'All groups excluding 'volatile items'', also excludes: Utilities, Property rates and charges, Child care, Health, Other motoring charges, Urban transport fares, Postal, and Education. A detailed description of the special and analytical series was published in Appendix 1 to the September quarter 2005 issue of *Consumer Price Index, Australia* (cat. no. 6401.0).

14 The ABS is grateful for the assistance of the Reserve Bank of Australia for specifying the items included in the 'All groups excluding 'volatile items'' and 'Market goods and services excluding 'volatile items''. The Reserve Bank of Australia does not accord any special policy status to these series.

ROUNDING

15 The CPI uses a hierarchy of rounding procedures to ensure consistency between published index numbers and percentage changes. However, rounding differences can arise in the 'points contributions' published in tables 6, 7 and 8 because of the different levels of precision required in those data.

INTERNATIONAL COMPARISONS

16 In analysing price movements in Australia, an important consideration is Australia's performance relative to other countries. However, a simple comparison of All groups (or headline) CPIs is often inappropriate because of the different measurement approaches used by countries for certain products, particularly housing and financial and insurance services. To provide a better basis for international comparisons, the Seventeenth International Conference of Labour Statisticians adopted a resolution which called for countries to 'if possible, compile and provide for dissemination to the international

EXPLANATORY NOTES *continued*

community an index that excludes housing and financial services' in addition to the all-items index.

17 Table 11 aims to present indexes for selected countries on a basis consistent with the above resolution and comparable to the Australian series 'All groups excluding Housing and Financial services' (see paragraph 12). However, other than Australia and New Zealand, the countries represented in this table are yet to develop indexes on this basis, so the indexes presented here are consistent with the series previously published for All groups excluding Housing. To facilitate comparisons all indexes in this table have been converted, where necessary, to a quarterly basis and re-referenced to a base of 1989–90 = 100.0.

18 In producing table 11, the ABS is grateful for the assistance of the relevant national statistical agencies which have either directly supplied indexes for all items excluding housing and financial services or data to enable their derivation.

RELATED PUBLICATIONS

19 Current publications and other products released by the ABS are listed in the *Catalogue of Publications and Products* (cat. no. 1101.0). The Catalogue is available from any ABS office or the ABS website <<http://www.abs.gov.au>>. The ABS also issues a daily Release Advice on the website which details products to be released in the week ahead.

20 Users may also wish to refer to the following publications and other data products that are available free of charge from the ABS website:

- *Average Retail Prices of Selected Items, Eight Capital Cities* (cat. no. 6403.0.55.001)
- *Information Paper: Experimental Price Indexes for Financial Services* (cat. no. 6413.0)
- *House Price Indexes: Eight Capital Cities* (cat. no. 6416.0)
- *Consumer Price Index: 15th Series Weighting Pattern (Reissue)* (cat. no. 6430.0)
- *A Guide to the Consumer Price Index, 15th Series* (cat. no. 6440.0)
- *Consumer Price Index: Concordance with Household Expenditure Classification, Australia* (cat. no. 6446.0.55.001)
- *Information Paper: The Introduction of Hedonic Price Indexes for Personal Computers* (cat. no. 6458.0)
- *Australian Consumer Price Index: Concepts, Sources and Methods, 2005* (cat. no. 6461.0)
- *Information Paper: Introduction of the 15th Series Australian Consumer Price Index 2005 (Reissue)* (cat. no. 6462.0)
- *Information Paper: Consumer Price Index with Reserve Bank of Australia Consumer Price Measures, Australia, 2007* (cat. no. 6401.0.55.002)
- *Consumer Price Index: Historical Weighting Patterns (1948 to 2005)* (cat. no. 6431.0).

DATA AVAILABLE

21 As well as the statistics included in this publication, there is more detailed data for each capital city available on the ABS website. Inquiries should be made to Lee Taylor on (02) 6252 6251 or to the National Information and Referral Service on 1300 135 070.

APPENDIX A BRIEF EXPLANATION OF THE CPI

A BRIEF EXPLANATION OF THE CONSUMER PRICE INDEX

Introduction

The Australian Bureau of Statistics (ABS) notes the public inquiry into grocery prices being conducted by the ACCC. Considering both the Issues paper released by the ACCC (on 11 February 2008) and a number of the submissions lodged to date, the ABS has prepared the following article to assist understanding of how the Consumer Price Index (CPI) is constructed and alert users to the extensive information available from the ABS website. The ABS is also providing a more comprehensive submission to the ACCC describing some of the relevant key price measures available to shed light on grocery prices in Australia. The ABS submission will be available from the ACCC website <<http://www.accc.gov.au>>.

Background

The Australian CPI is designed to provide a general measure of price inflation for the household sector as a whole. In practice, the index is constrained to only measure the changes in prices faced by private households living in the six State capital cities plus Canberra and Darwin.

The measurement of price change for an individual, specific item (e.g. Granny Smith apples purchased from a particular store) is a relatively straightforward exercise. It would generally be agreed that an estimate of the average price per kilogram in each period would be all that is required. Price change between any two periods would simply be calculated by direct reference to the respective average prices.

However, problems arise whenever the objective is to provide a measure that covers a number of items (e.g. all apples; fruit; food etc.) or items that are not available in all time periods.

The CPI provides a convenient and consistent way of presenting price information that overcomes problems associated with averaging across diverse items. The overall (or All groups) CPI provides a measure of the average rate of price change, recognising that some items are more important than others.

The simplest way of thinking about the CPI is to imagine a basket of goods and services comprising items bought by Australian households. Now imagine the basket is purchased each quarter. As prices change from one quarter to the next, so too will the total price of the basket. The CPI is simply a measure of the changes in the price of this fixed basket as the prices of items in it change.

The CPI basket covers the full range of household expenditure and is divided into 11 major groups, each representing a specific set of commodities:

- Food
- Alcohol and tobacco
- Clothing and footwear
- Housing
- Household contents and services
- Health
- Transportation
- Communication
- Recreation
- Education
- Financial and insurance services.

Cost of Living

Although the CPI is also commonly referred to as a measure of changes in purchasing power or a cost-of-living index, in an economic context these terms are not strictly interchangeable with a measure of price inflation.

An index designed to measure changes in the purchasing power of household incomes would need to be concerned with changes in the costs of all expenditures made from household income. Such a measure would include items like income tax and interest payments. A true cost-of-living index (COLI), among other things, would need to be

APPENDIX A BRIEF EXPLANATION OF THE CPI *continued*

Cost of Living continued

concerned with the change in the minimum cost of maintaining a given level of utility, or satisfaction, that results from changes in the prices of the goods and services consumed.

A COLI recognizes that the quantities consumed are actually dependent on the prices. In practice, rational consumers may be expected to adjust the relative quantities they consume in response to changes in relative prices (for instance, buying chicken rather than beef when beef prices are high).

The Fixed Basket Approach

The reality is that the actual expenditures of individual households do change over time in response to many factors including changes in prices (particularly relative prices); changes in incomes; changes in family composition (including ages of family members); changes in tastes and preferences and the availability of products (including the emergence of new items). Further, within a calendar year, expenditures can change from month to month due to seasonality of either supply (seasonal availability of produce) or demand (e.g. chocolate at Easter). Changes over time in the expenditures of households in aggregate are additionally affected by changes in the demographic profile of the population at large (e.g. increases in the proportion of older Australians).

At a theoretical level, there are two key approaches that could be used to compile a price index:

- a fixed utility approach – a basket of goods and services capable of providing the same utility or satisfaction (where the basket is allowed to change but in such a way as to preserve utility or satisfaction); and
- a fixed quantity approach – a fixed basket of goods and services.

In constructing consumer price indexes national statistical offices, including the ABS, use the fixed basket approach which does not allow the quantities of the individual items to change when measuring period to period price change. The data on the current quantities required for the calculation of 'fixed utility' index are not observable in practice. The 'fixed utility' index is a theoretical index, not an operational one that national statistical offices can produce in a timely manner.

In the case of the Australian CPI, the fixed basket methodology involves devising a basket of goods and services representative of those acquired by metropolitan private households during the course of a full year. The annual basket used in the CPI is based primarily on data obtained from the Household Expenditure Survey (HES) which is the only authoritative source of data on the expenditures of different household types in each of the capital cities.

The composition of the basket and the relative importance of items in it relate to households as a whole – it represents the expenditures of all in-scope households, not the expenditure pattern of an 'average household' or of any particular household type or size.

The HES is conducted at approximately five yearly intervals with the most recent being in respect of 2003–04. Due to the time required to process and validate the data from each HES, the new baskets can only be introduced to the CPI with some delay. The basket based on the 2003–04 HES was introduced in September quarter 2005 (to measure price change from June quarter 2005). The introduction of new baskets (or item weights) is done in such a way that the index reflects only pure price change and not differences in the cost of the old and new baskets. The 16th series CPI (updated 'fixed basket') will be introduced in the September quarter 2011 CPI based on the 2009/10 HES.

The benefit of the 'fixed basket' approach is that it results in a measure that compares like with like. The downside of this approach is that because it does not allow for item substitutions that consumers are able to make while maintaining utility, it will overstate the rate of price growth compared to a 'fixed utility' approach. The amount by which a

APPENDIX A BRIEF EXPLANATION OF THE CPI *continued*

The Fixed Basket Approach continued

'fixed basket' approach exceeds the 'fixed utility' approach is likely to get steadily larger the further back in time the 'fixed basket' quantities were fixed.

Collecting Prices for the CPI

The collection of prices in each capital city is largely carried out by trained field staff operating out of the various offices of the ABS, while some prices are collected by special surveys out of the Canberra office. Prices are collected in the kinds of retail outlets and other places where metropolitan households purchase goods and services. This involves collecting prices from many sources such as supermarkets, restaurants, travel agents and schools. Prices are collected via personal visit, telephone or internet as appropriate.

In total, more than 100,000 separate price quotations are collected each quarter. The frequency of price collection by item varies as necessary to obtain reliable price measures. Prices of some items are volatile (i.e. their prices may vary many times each quarter) and for these prices frequent price observations are necessary to estimate a reliable average quarterly price.

Each month prices are collected at regular intervals for goods such as petrol, fresh meat, fruit and vegetables, and women's outerwear. For most other items price volatility is not a problem and prices are collected once a quarter.

The prices used in the CPI are those that any member of the public would have to pay to purchase the specified good or service. Any taxes levied on goods or services (such as the GST) are included in the CPI price. Similarly, prices take account of any subsidy or assistance provided directly by government (e.g. Child Care Benefit, Medicare). Sale prices, discount prices and 'specials' are reflected in the CPI so long as the items concerned are of normal quality (i.e. not damaged or shop-soiled), and are offered for sale in reasonable quantities. Any concessions available to particular groups of the population (such as age pensioners) are also taken into account where significant.

Pure Price Change

In constructing a price index the objective is to ensure that the measure reflects only pure price change, in much the same way as retailers would want to compare performance over time on a 'same store' basis. The challenge is to devise a methodology that ensures comparison of prices on a 'like with like' basis.

The use of a basket that contains all of the goods and services acquired over a full year plays a significant role in ensuring the quarter to quarter price movements are on a like with like basis while maximising the item coverage of the CPI. This can be most readily appreciated by considering how items that are only purchased (or available) at certain times of the year might be treated in a price index.

The simplest option would be to exclude all seasonal items from the index and measure price change only by reference to those items available all year round. Such an approach would exclude many items of clothing (summer and winter items), varieties of fresh fruit and vegetables and holiday travel and accommodation to name but a few examples. Although an index that excludes these seasonal items may still provide a reliable indicator of medium to long term price change, it is unlikely to have the same level of credibility and command the same level of respect as an index that includes them.

Inclusion of seasonal items in the basket increases the item coverage of the basket but complicates the task of measuring price change. The key issue is deciding what should be done when an item is out of season (or otherwise unavailable). To simply calculate an average price that excludes the out of season item in one period and then compare that to an average price in another period that includes the now out of season item would provide an erroneous measure of price change. Imagine that the only change between two periods is that the most expensive item is no longer available, but the prices of all other items remain unchanged. An approach that is based on simply comparing the average prices of items actually purchased (sold) would show a price fall when in fact there is no evidence that any prices have changed. The ABS handles seasonal items in

APPENDIX A BRIEF EXPLANATION OF THE CPI *continued*

Pure Price Change continued

the CPI by imputing their prices when they are not available using a technique referred to as class mean imputation. This involves using the price behaviour of similar (or closely related) items to estimate the prices for the seasonally unavailable items.

Measuring Quality Change

The day to day task of measuring price change for individual items has an even greater bearing on the quality of the CPI. The requirement to take account of any changes in the quality of the items priced, to ensure that the index reflects only pure price change, is particularly challenging. While changes to the overall coverage of the CPI basket are only undertaken every five years or so, the individual items actually available in stores are constantly changing. Identifying changes to item specifications and adjusting observed prices to eliminate quality differences or otherwise excluding the observations from index calculations, accounts for a significant proportion of the cost of compiling the CPI each quarter.

In concept quality embraces all the attributes of an item which consumers would consider before making a purchase. For example in the case of tinned tomato soup it would include the volume or weight of the contents as well as the concentration and flavour.

Some changes are relatively easy to deal with while others prove more difficult if not intractable. A marginal change in say the weight of the can of tomato soup from 440gms to 400gms can be handled relatively easily by computing the quality adjusted price by reference to the price per gram. If the list or observed price is unchanged, the quality adjusted price will record an increase of $440/400$ or 10%. Quality changes due to either a change in brand or the ingredients pose more difficult measurement problems for which we generally have no ready solution and are forced to treat the change as if it were a change in sample. Some item categories are particularly prone to a high rate of turnover in the specific brands or varieties available, and we are constantly adjusting our samples, again ensuring sample changes are introduced in such a way that the index reflects only pure price change and not differences in the cost of the old and new samples – note that this can be considered as a guiding principle in calculating the CPI.

The Matched Sample Approach

The application of this principle can be best illustrated by reference to a simple though contrived example of how the calculation of a price index for apples may have changed over time. The example assumes that initially only prices of Red Delicious apples are available, then an expanded set including Pink Lady and Gala, and finally back to only Red Delicious and Gala. For simplicity, it is assumed that in each period the quantities are equal. The example can be taken to relate to either a change in sample initiated by the ABS or to an actual change in the marketplace.

APPENDIX A BRIEF EXPLANATION OF THE CPI *continued*

The Matched Sample Approach continued

EXAMPLE - CALCULATION OF A PRICE INDEX FOR APPLES

	<i>Time period</i> 0	<i>Time period</i> 1	<i>Time period</i> 2	<i>Time period</i> 3	<i>Time period</i> 4
PRICES					
Red Delicious	1.56	2.04	2.21	2.36	2.65
Pink Lady		3.80	4.09	4.93	
Gala		2.60	2.80	2.85	3.10
Simple average	1.56	2.81	3.03	3.38	2.88
Matched averages					
Periods 0 and 1	1.56	2.04			
Periods 1 and 2		2.81	3.03		
Periods 2 and 3			3.03	3.38	
Periods 3 and 4				2.61	2.88
PERIOD TO PERIOD % CHANGES, USING					
Simple averages		80.3	7.8	11.4	-14.9
Matched averages		30.8	7.8	11.4	10.4
PRICE INDEX, USING					
Simple averages	100.0	180.3	194.4	216.6	184.2
Matched averages	100.0	130.8	141.0	157.1	173.4

The table above illustrates two possible methods for calculating price change. The first method simply makes use of the average of all prices available in each period while the second method measures period to period price change, based only on the prices of those specific items available in both periods. The second method, which is generally referred to as a 'matched sample approach', is the one that is used to calculate the CPI. The first method, sometimes referred to as the unit value method, represents an approach better suited to tracking changes in expenditure (or revenue), particularly if the quantities purchased (sold) in each period are known. The deficiency of the first method as a measure of price change is even more starkly illustrated if it is assumed that the prices of the different varieties do not change over time, but they do differ from each other.

It is also worth noting that the principle of matched samples is, in practice, also applied to outlets. In other words, even the average price of Red Delicious apples used to measure period to period price movement is constructed by reference to a matched set of outlets, so changes to samples of outlets (e.g. more or less supermarkets) do not of themselves effect the level of the index.

The CPI Does Not Measure Price Levels

The CPI is not designed to measure price levels; rather its purpose is to measure changes in prices over time. While price levels in country regions often differ from those in metropolitan areas (some higher and others lower), the factors influencing price movements generally tend to be similar. Therefore the CPI can be expected to provide a reasonable indication of the changes in prices in Australia as a whole in the longer term.

Similarly, the CPI cannot be used to compare price levels between capital cities. For example, the fact that the CPI All groups index in the March quarter 2008 for Brisbane (165.6) was higher than in Sydney (161.7) does not indicate that Brisbane was more expensive to live in than Sydney. Rather, it indicates that prices in Brisbane had risen more than in Sydney since 1989-90 (when the index was set to equal 100).

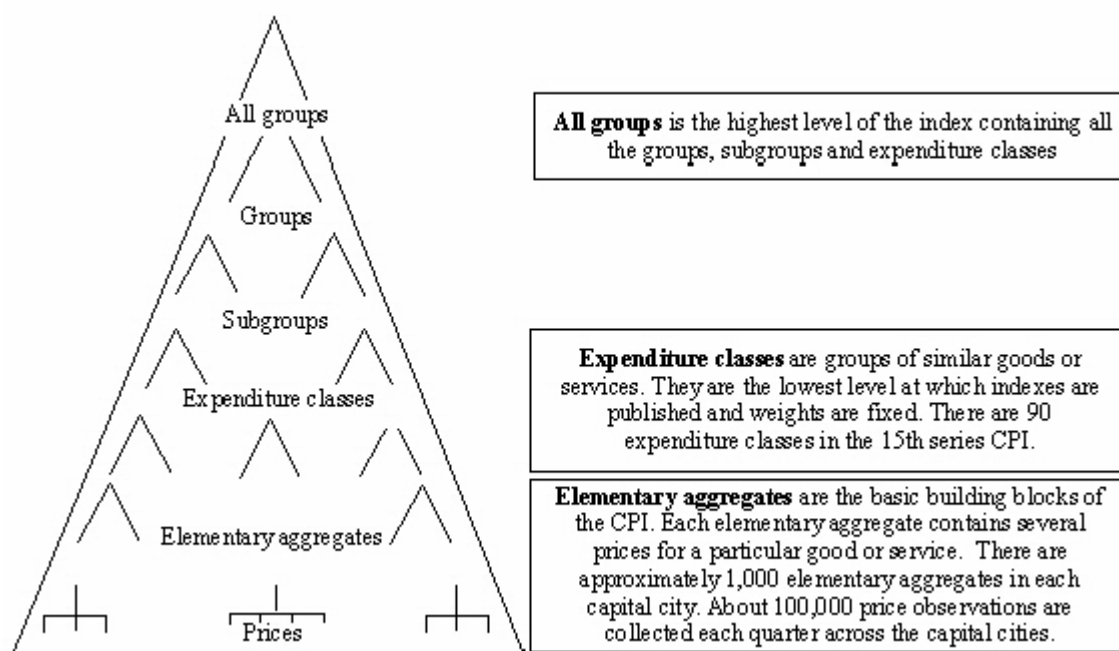
APPENDIX A BRIEF EXPLANATION OF THE CPI *continued*

*The CPI Does Not Measure
Price Levels continued*

At the end of the day, the CPI is most useful as an indicator of price movements, whether it be for specific items, a particular city, or the economy as a whole. The CPI is not, however, a precise measure of individual household price experiences.

Detail Available

As described earlier, the CPI basket is divided into 11 major groups. These are further divided in turn into 33 subgroups, and the subgroups into 90 expenditure classes. An expenditure class is a grouping of similar items, such as various types of motor vehicles. Each of the 90 expenditure classes (for the weighted average of the eight capital cities) is published in index form in table 7 of the CPI publication (cat. no. 6401.0) each quarter. Each of the 90 expenditure classes for each city is published in index form in table 13 (Excel spreadsheet available on the ABS website).



Users may also wish to refer to the following explanatory publications that are available free of charge from the ABS website:

- *A Guide to the Consumer Price Index, 15th Series* (cat. no. 6440.0)
- *Australian Consumer Price Index: Concepts, Sources and Methods, 2005* (cat. no. 6461.0)
- *Information Paper: Introduction of the 15th Series Australian Consumer Price Index 2005 (Reissue)* (cat. no. 6462.0)
- *Information Paper: Consumer Price Index with Reserve Bank of Australia Consumer Price Measures, Australia, 2007* (cat. no. 6401.0.55.002).
- *Consumer Price Index: Historical Weighting Patterns (1948 to 2005)* (cat. no. 6431.0)

FOR MORE INFORMATION . . .

INTERNET **www.abs.gov.au** the ABS website is the best place for data from our publications and information about the ABS.

INFORMATION AND REFERRAL SERVICE

Our consultants can help you access the full range of information published by the ABS that is available free of charge from our website. Information tailored to your needs can also be requested as a 'user pays' service. Specialists are on hand to help you with analytical or methodological advice.

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FREE ACCESS TO STATISTICS

All statistics on the ABS website can be downloaded free of charge.

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