

Consumer Price Index (CPI)

	Darwin	8-Capital Cities
annual (%) change	↑ 2.7%	↑ 1.3%
quarterly (%) change	↑ 1.9%	↑ 1.0%

Compared to the June quarter 2009, the Darwin Consumer Price Index (CPI) increased by 1.9% in the September quarter 2009, the highest growth rate of the capital cities. Nationally it increased by 1.0%. Housing contributed 0.9 percentage points to quarterly growth in the Darwin CPI, reflecting increased electricity, water and sewerage costs and higher rent prices. The recreation and transportation categories also contributed significantly to growth in the quarter, contributing 0.5 and 0.3 percentage points respectively.

Increasing transportation prices reflect increases in automotive fuel prices due to higher crude oil prices in the quarter. The increase in the recreation category was due to increasing prices for domestic holiday travel and accommodation in Darwin.

In annual terms, growth in Darwin's CPI strengthened to 2.7% in the September quarter 2009, from 2.5% in the June quarter 2009. Nationally, growth in the annual inflation rate moderated to 1.3%; from 1.5% reported in the June quarter 2009 (see Chart 1).

The main contributors to the annual increase in Darwin's CPI (see Chart 2) were:

- 'housing': 2.0 percentage points;
- 'food': 0.6 percentage points;
- 'tobacco & alcohol': 0.5 percentage points; and
- 'household contents': 0.4 percentage points.

Increasing housing rents, utilities costs and house purchase prices, contributed 0.78, 0.50 and 0.40 percentage points to annual growth in the Darwin CPI respectively.

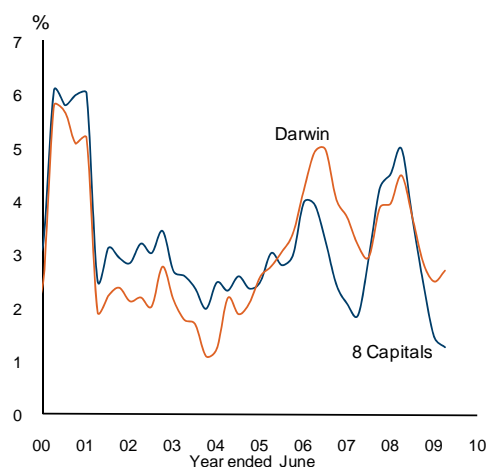
With an annual CPI increase of 2.7% Darwin has the highest consumer inflation of the capital cities followed by Brisbane at 1.9% and Hobart at 1.8% with Melbourne reporting the lowest at 0.6% (see Chart 3).

In more stable year on year terms, growth in the Darwin CPI moderated to 2.9% in the September quarter 2009. Nationally, growth in the CPI moderated to 2.2% over the same period.

Annual growth in the Reserve Bank of Australia's (RBA) two preferred measures of underlying inflation, the weighted median and trimmed mean, moderated to 3.8% and 3.2% respectively in the September quarter 2009. Nevertheless, they remain well above the RBA's target range of 2 to 3%, increasing the probability of an increase in interest rates when the RBA board next meets.

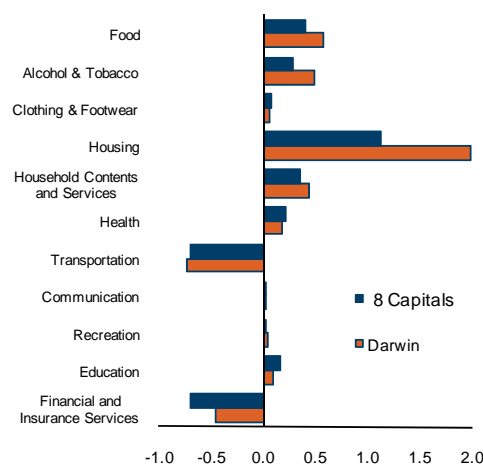
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Chart 1: Consumer Price Index (annual percentage change)



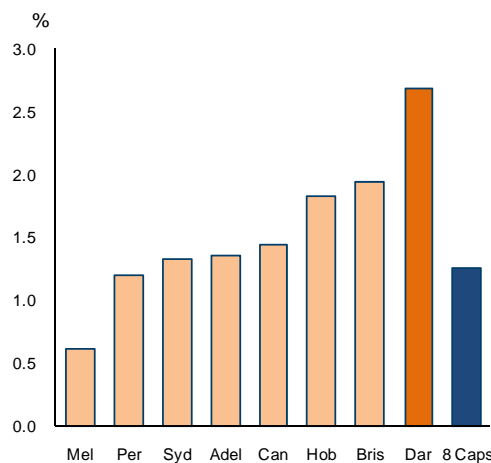
Source: ABS Cat. No. 6401.0

Chart 2: Annual Percentage Point Contribution to CPI Change



Source: ABS Cat. No. 6401.0

Chart 3: Consumer Price Index (annual percentage change)



Source: ABS Cat. No. 6401.0



Consumer Price Index September Quarter 2009

Consumer Price Index (Table 1)

	September Quarter		change		
	quarter	year average	quarterly ¹	annual ²	year on year ³
Darwin	168.0	164.7	1.9%	2.7%	2.9%
<i>food</i>	183.0	182.6	-0.2%	3.6%	5.0%
<i>tobacco & alcohol</i>	265.2	258.7	1.8%	5.4%	5.5%
<i>clothing & footwear</i>	107.5	106.4	1.6%	1.9%	1.9%
<i>housing</i>	188.9	182.4	3.6%	8.4%	7.4%
<i>h/hold contents</i>	122.8	120.9	-0.4%	5.0%	3.4%
<i>health</i>	232.2	228.2	-0.4%	5.0%	4.5%
<i>transportation</i>	157.2	154.9	2.5%	-6.0%	-4.1%
<i>communication</i>	104.2	103.9	0.1%	1.1%	1.0%
<i>recreation</i>	116.7	112.1	4.4%	0.3%	-0.2%
<i>education</i>	204.4	201.5	0.0%	6.1%	5.7%
<i>financial services</i>	105.2	106.2	1.8%	-6.4%	-2.8%
8 Capitals	168.6	167.0	1.0%	1.3%	2.2%
<i>food</i>	186.6	187.6	-0.8%	2.5%	4.6%
<i>tobacco & alcohol</i>	269.4	266.1	0.7%	4.0%	5.0%
<i>clothing & footwear</i>	112.1	110.9	0.3%	2.3%	1.5%
<i>housing</i>	155.3	151.1	2.9%	5.5%	5.7%
<i>h/hold contents</i>	128.5	126.3	0.6%	4.0%	2.2%
<i>health</i>	251.6	248.1	-1.0%	4.4%	4.9%
<i>transportation</i>	164.5	161.5	1.9%	-5.1%	-4.2%
<i>communication</i>	112.5	112.3	0.0%	1.0%	0.9%
<i>recreation</i>	137.4	137.1	0.7%	0.1%	0.6%
<i>education</i>	297.0	293.0	0.0%	5.6%	5.1%
<i>financial services</i>	107.5	109.5	0.9%	-7.2%	-2.2%
RBA Underlying Measures of Inflation					
<i>Weighted Median</i>			0.8%	3.8%	
<i>Trimmed Mean</i>			0.8%	3.2%	

Consumer Price Index Contribution to Change (Table 2)

	September Quarter		change		
	quarter	year average	quarterly ¹	annual ²	year on year ³
Darwin	168.0	164.7	1.9 ppt	2.7 ppt	
<i>food</i>	183.0	182.6	0.0 ppt	0.6 ppt	
<i>tobacco & alcohol</i>	265.2	258.7	0.2 ppt	0.5 ppt	
<i>clothing & footwear</i>	107.5	106.4	0.0 ppt	0.1 ppt	
<i>housing</i>	188.9	182.4	0.9 ppt	2.0 ppt	
<i>h/hold contents</i>	122.8	120.9	0.0 ppt	0.4 ppt	
<i>health</i>	232.2	228.2	0.0 ppt	0.2 ppt	
<i>transportation</i>	157.2	154.9	0.3 ppt	-0.7 ppt	
<i>communication</i>	104.2	103.9	0.0 ppt	0.0 ppt	
<i>recreation</i>	116.7	112.1	0.5 ppt	0.0 ppt	
<i>education</i>	204.4	201.5	0.0 ppt	0.1 ppt	
<i>financial services</i>	105.2	106.2	0.1 ppt	-0.5 ppt	
8 Capitals	168.6	167.0	0.9 ppt	1.2 ppt	
<i>food</i>	186.6	187.6	-0.1 ppt	0.4 ppt	
<i>tobacco & alcohol</i>	269.4	266.1	0.1 ppt	0.3 ppt	
<i>clothing & footwear</i>	112.1	110.9	0.0 ppt	0.1 ppt	
<i>housing</i>	155.3	151.1	0.6 ppt	1.1 ppt	
<i>h/hold contents</i>	128.5	126.3	0.1 ppt	0.3 ppt	
<i>health</i>	251.6	248.1	0.0 ppt	0.2 ppt	
<i>transportation</i>	164.5	161.5	0.2 ppt	-0.7 ppt	
<i>communication</i>	112.5	112.3	0.0 ppt	0.0 ppt	
<i>recreation</i>	137.4	137.1	0.1 ppt	0.0 ppt	
<i>education</i>	297.0	293.0	0.0 ppt	0.2 ppt	
<i>financial services</i>	107.5	109.5	0.1 ppt	-0.7 ppt	

¹compares the latest quarter with the previous quarter in the quarter

²compares the latest quarter with the same quarter last year

³compares the 4 quarters up to and including the latest quarter with the previous 4 quarters

Caution is advised when using monthly data for the Territory, which is often derived from small samples and highly volatile.

Source: ABS Cat. No. 6401.0

Although all due care has been exercised in the preparation of this material, no responsibility is accepted for any errors or omission.

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