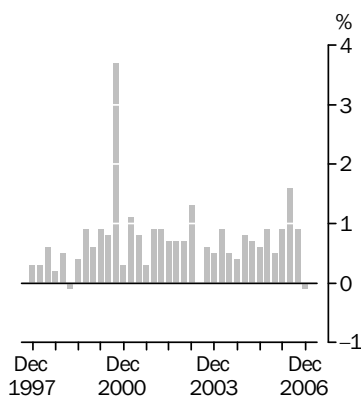


# CONSUMER PRICE INDEX

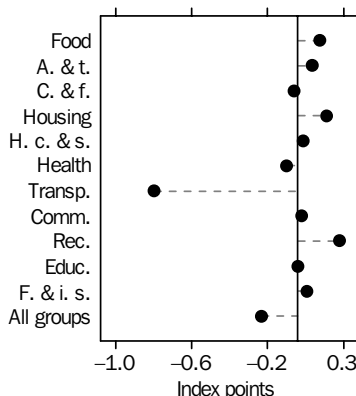
AUSTRALIA

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**All Groups**  
Quarterly change



**Contribution to quarterly change**  
December quarter 2006



## 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.

## KEY FIGURES

### WEIGHTED AVERAGE OF EIGHT CAPITAL CITIES

	Sep Qtr 2006 to Dec Qtr 2006 % change	Dec Qtr 2005 to Dec Qtr 2006 % change
Food	0.5	8.6
Alcohol and tobacco	0.8	3.5
Clothing and footwear	-0.4	-2.0
Housing	0.5	3.2
Household contents and services	0.2	1.9
Health	-0.8	5.3
Transportation	-3.8	1.1
Communication	0.5	1.7
Recreation	1.4	2.4
Education	0.0	4.8
Financial and insurance services	0.5	1.4
<b>All groups</b>	<b>-0.1</b>	<b>3.3</b>

All groups excluding Housing and Financial and insurance services

-0.3 3.6

## KEY POINTS

### THE ALL GROUPS CPI

- fell 0.1% in the December quarter 2006 down from an increase of 0.9% in the September quarter.
- rose 3.3% through the year to December quarter 2006.

### OVERVIEW OF CPI MOVEMENTS

- The most significant price falls this quarter were automotive fuel (-12.4%), fruit (-5.2%), pharmaceuticals (-5.0%) and audio, visual and computing equipment (-2.7%).
- The decrease in automotive fuel contributed -0.86 index points to the December quarter CPI movement.
- The most significant offsetting price increases were domestic travel and accommodation (+6.2%), vegetables (+4.1%), rents (+1.0%) and house purchase (+0.5%).

## NOTES

### FORTHCOMING ISSUES

*ISSUE (Quarter)*

*RELEASE DATE*

March 2007

24 April 2007

June 2007

25 July 2007

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### ROUNDING

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

### CHANGES IN THIS ISSUE

This issue includes an Appendix on the Treatment of child-care services in the Australian Consumer Price Index (CPI).

### ABBREVIATIONS

ABS Australian Bureau of Statistics

CPI Consumer Price Index

Susan Linacre

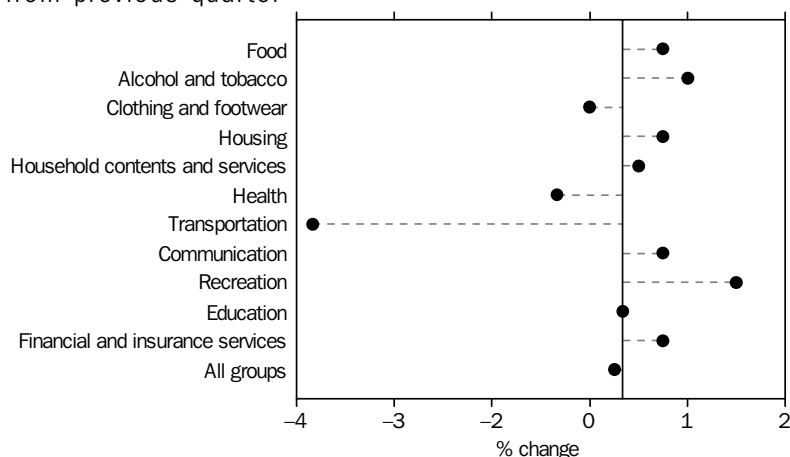
Acting Australian Statistician

## ANALYSES AND COMMENTS

### MAIN CONTRIBUTORS TO CHANGE

#### CPI GROUPS

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



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

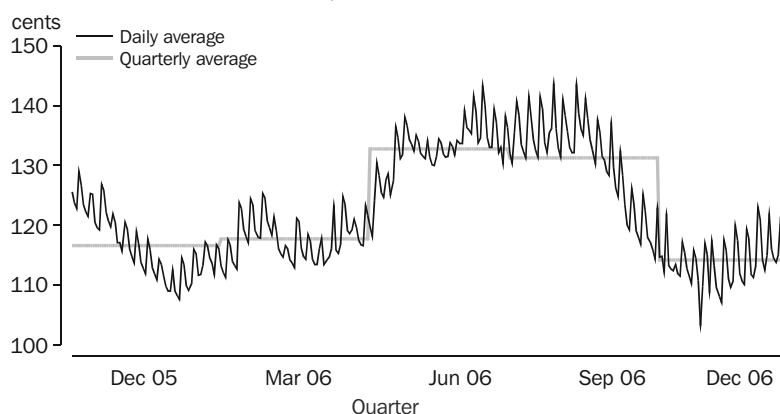
#### TRANSPORTATION (-3.8%)

The main contributor to the 3.8% fall in transportation this quarter was the fall in the price of automotive fuel (-12.4%), with average quarterly prices returning to the lowest levels since June Quarter 2005. All other categories in transportation rose, with motor vehicle repair and servicing (+1.0%) and motor vehicles (+0.3%) being the most significant.

Automotive fuel prices fell in July (-0.5%), August (-0.1%), September (-8.9%), October (-6.3%) and November (-1.9%) then rose in December (+2.8%). The automotive fuel expenditure class contributed -0.86 index points to the change in the All Groups CPI in December quarter 2006 and -0.15 index points to the through the year change.

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



The rise in motor vehicle repair and servicing was due to rises in both parts and mechanics' labour. The rise in motor vehicles was mostly due to the introduction of a number of new models.

## ANALYSES AND COMMENTS *continued*

### TRANSPORTATION (-3.8%)

*continued*

Through the year to December quarter 2006, the transportation group rose 1.1%, with the main contributors being motor vehicle repair and servicing (+4.1%), motor vehicles (+1.5%) and other motoring charges (+4.6%). A fall in automotive fuel (-2.3%) provided the only offset.

### RECREATION (+1.4%)

Recreation recorded its strongest quarterly increase since September quarter 2005, due mainly to domestic holiday travel and accommodation (+6.2%). This increase resulted from a seasonal increase in accommodation tariffs and airfares. Overseas holiday travel and accommodation also rose (+1.2%).

The major offsetting price fall was in audio, visual and computing equipment (-2.7%), reflecting ongoing price falls in this category.

Annually, Recreation rose 2.4% with the strongest rises in holiday travel and accommodation, with the domestic component increasing by 7.6% and the overseas component by 5.9%. Over the same period, audio, visual and computing equipment fell by 8.0%.

### HOUSING (+0.5%)

The rise in housing this quarter was mainly due to rents (+1.0%) and house purchase (+0.5%).

Increases in average rents were recorded in all capital cities and range from Perth (+1.8%) to Hobart (+0.6%). House purchase average price movements range from Darwin (+4.2%) to Sydney (-0.4%).

Through the year to December quarter 2006, the housing group rose 3.2%. This rise was mainly attributable to rents (+3.7%), house purchase (+2.1%), and property rates and charges (+5.6%). Annually, housing increases were led by rises in Darwin (+9.5%) and Perth (+7.7%).

### FOOD (+0.5%)

The rise in food prices was largely due to vegetables (+4.1%), cakes and biscuits (+2.0%), restaurant meals (+0.8%), bread (+1.8%) and take away and fast foods (+0.6%). This was offset by price falls in fruit (-5.2%) and Beef and veal (-1.9%).

The increase in prices of vegetables resulted from adverse effects of weather conditions on vegetable crops leading to shortages in the supply of many vegetables.

The fall in fruit prices was largely due to the lower quarterly average price of bananas. Following an increase of 406% over the June and September quarters 2006, banana prices fell 19% in December quarter. Prices remained high in October and early November before falling consistently through the remainder of the quarter. With the exception of melons all other fruit rose.

Over the twelve months to December quarter 2006, food prices rose 8.6%, mainly due to increases in fruit (+72.2%). The only significant offsetting annual fall was in poultry (-3.0%).

### ALCOHOL AND TOBACCO (+0.8%)

Three of the four components in the alcohol and tobacco group rose this quarter with contributions from beer (+1.2%), spirits (+1.5%) and tobacco (+0.6%). Wine prices fell slightly (-0.1%).

## ANALYSES AND COMMENTS *continued*

### ALCOHOL AND TOBACCO (+0.8%) *continued*

The rises in beer, spirit, and tobacco prices can be attributed to the discontinuation of specials and to the flow on effects of the increase in Federal excise and customs duty from 1 August.

Through the year to December quarter 2006, the alcohol and tobacco group rose 3.5%, with rises in all categories except wine, which fell 0.3% over the year.

### HEALTH (-0.8%)

The fall in health costs in December quarter 2006 was due to a fall in the net cost of pharmaceuticals (-5.0%) more than offsetting a rise in the net cost of hospital and medical services (+0.4%).

The fall in the net cost of pharmaceuticals was due to the cyclical effect of the Pharmaceutical Benefits Scheme. The number of people accessing the PBS Safety Net benefits reaches a peak in the December quarter. There was a slight rise in gross pharmaceutical prices.

The small rise in the net cost of hospital and medical services was due to the combined effects of gross price increases across all services, static Bulk Billing percentages and the cyclical effect of the Medicare Plus Safety Net.

Over the year to December quarter 2006, the health group rose 5.3%, with the largest component increase in net hospital and medical services (+6.4%).

### TRADABLES AND NON-TRADABLES

The non-tradables component (see table 8) of the CPI rose 0.8% in the December quarter. This component includes goods and services whose prices are largely determined by domestic price pressures and represents approximately 58% of the CPI. Within non-tradables, the services component rose 0.9%, mainly due to domestic holiday travel & accommodation and rents. The major offset was provided by insurance services. The non-tradable goods component rose 0.7% mainly due to house purchase.

The tradables component of the All groups CPI fell 1.4%. This component includes goods and services whose prices are largely determined on the world market and represents approximately 42% of the weight of the CPI. The main contributors to the decrease were automotive fuel, fruit and pharmaceuticals. The most significant offset was a rise in vegetables.

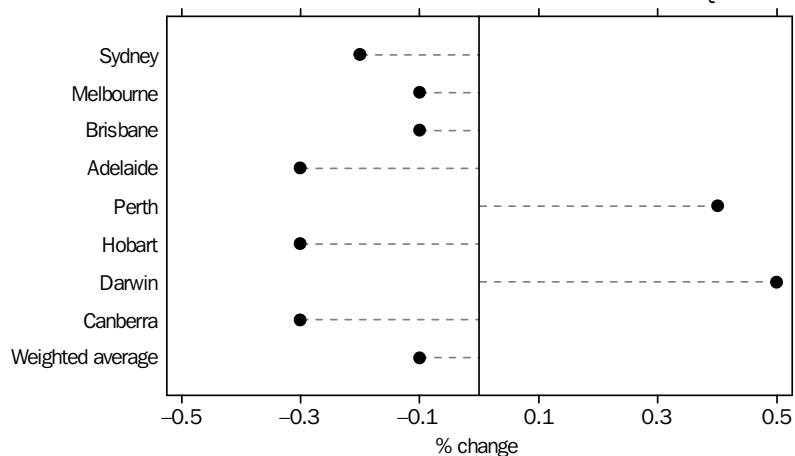
Through the year to December quarter 2006, tradables rose 2.9% and non-tradables rose 3.5%. This compares with rises of 4.4% and 3.6%, respectively, for these components through the year to September quarter 2006.

## ANALYSES AND COMMENTS *continued*

### CAPITAL CITIES COMPARISON

#### ALL GROUPS

#### ALL GROUPS: PERCENTAGE CHANGE FROM PREVIOUS QUARTER



At the All groups level, the CPI fell in Adelaide (-0.3%), Hobart (-0.3%), Canberra (-0.3%), Sydney (-0.2%), Melbourne (-0.1%) and Brisbane (-0.1%). It rose in Darwin (+0.5%) and Perth (+0.4%).

Significant falls in automotive fuel prices were recorded in all cities. In Darwin these fuel price falls were more than offset by higher than average Housing (+2.3%) and Food (+1.1%) costs. Similarly, the result in Perth was driven mostly by higher than average prices in Recreation (+2.8%) and Housing (+0.7%).

Through the year to December quarter 2006, the All groups CPI rose in all capital cities with the increases ranging from 2.5% in Hobart to 5.0% in Darwin. The higher result for Darwin was largely due to a 9.5% rise in Housing, nearly triple the 3.2% increase for the weighted average of eight capital cities. Perth also recorded a rise for Housing (+7.7%) that was well above the national average.

#### CPI, All groups index numbers and percentage changes

	INDEX NUMBER(a)	PERCENTAGE CHANGE	
	<i>Dec Qtr 2006</i>	<i>Sep Qtr 2006 to Dec Qtr 2006</i>	<i>Dec Qtr 2005 to Dec Qtr 2006</i>
Sydney	155.8	-0.2	3.2
Melbourne	153.5	-0.1	2.9
Brisbane	157.3	-0.1	3.4
Adelaide	158.8	-0.3	3.0
Perth	155.5	0.4	4.4
Hobart	154.7	-0.3	2.5
Darwin	152.6	0.5	5.0
Canberra	155.6	-0.3	3.1
Weighted average of eight capital cities	155.5	-0.1	3.3

(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>
<b>2002-03</b>	141.1	139.7	140.7	142.7	136.8	139.1	136.8	139.7	140.2
<b>2003-04</b>	144.1	142.8	144.8	147.0	139.6	142.6	138.7	143.4	143.5
<b>2004-05</b>	147.7	145.7	148.5	150.4	144.0	147.1	141.8	146.7	147.0
<b>2005-06</b>	152.1	150.2	153.2	155.2	150.1	151.8	146.5	151.9	151.7
<b>2002</b>									
December	140.4	139.0	139.9	141.5	136.4	138.0	136.2	139.2	139.5
<b>2003</b>									
March	142.1	140.9	141.8	144.6	137.4	140.0	137.5	140.7	141.3
June	142.2	140.9	141.8	144.3	137.4	140.8	137.9	140.7	141.3
September	142.4	141.8	143.3	145.4	138.6	141.1	137.8	141.9	142.1
December	143.6	142.1	144.2	146.2	139.2	142.0	138.5	142.9	142.8
<b>2004</b>									
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
<b>2005</b>									
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
<b>2006</b>									
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

(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)									
<b>2002-03</b>	2.8	3.3	3.2	4.0	2.8	3.3	2.3	3.3	3.1
<b>2003-04</b>	2.1	2.2	2.9	3.0	2.0	2.5	1.4	2.6	2.4
<b>2004-05</b>	2.5	2.0	2.6	2.3	3.2	3.2	2.2	2.3	2.4
<b>2005-06</b>	3.0	3.1	3.2	3.2	4.2	3.2	3.3	3.5	3.2
PERCENTAGE CHANGE (from corresponding quarter of previous year)									
<b>2002</b>									
December	2.8	3.1	3.0	3.6	2.9	3.1	2.0	3.2	3.0
<b>2003</b>									
March	3.0	3.6	3.4	5.0	2.8	3.6	2.8	3.8	3.4
June	2.4	2.9	2.7	3.7	2.1	2.8	2.1	2.6	2.7
September	2.0	2.9	2.9	3.6	2.1	2.6	1.8	2.8	2.6
December	2.3	2.2	3.1	3.3	2.1	2.9	1.7	2.7	2.4
<b>2004</b>									
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
<b>2005</b>									
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
<b>2006</b>									
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
PERCENTAGE CHANGE (from previous quarter)									
<b>2002</b>									
December	0.6	0.9	0.5	0.9	0.4	0.4	0.6	0.8	0.7
<b>2003</b>									
March	1.2	1.4	1.4	2.2	0.7	1.4	1.0	1.1	1.3
June	0.1	0.0	0.0	-0.2	0.0	0.6	0.3	0.0	0.0
September	0.1	0.6	1.1	0.8	0.9	0.2	-0.1	0.9	0.6
December	0.8	0.2	0.6	0.6	0.4	0.6	0.5	0.7	0.5
<b>2004</b>									
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
<b>2005</b>									
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
<b>2006</b>									
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

## 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>
<b>2002–03</b>	147.9	208.9	113.3	115.1	121.0	181.5
<b>2003–04</b>	152.3	217.8	112.7	120.2	121.1	193.9
<b>2004–05</b>	154.8	225.4	110.8	124.8	120.7	204.3
<b>2005–06</b>	162.3	233.1	109.2	129.3	122.2	213.5
<b>2002</b>						
December	147.0	207.3	114.0	114.2	121.6	177.1
<b>2003</b>						
March	149.8	209.9	112.4	115.7	120.4	183.5
June	149.8	211.2	113.7	116.8	121.4	189.1
September	149.3	215.2	113.3	118.9	121.5	189.1
December	152.0	216.5	113.1	119.6	121.4	189.4
<b>2004</b>						
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
<b>2005</b>						
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
<b>2006</b>						
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

(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>
<b>2002–03</b>	140.6	108.5	131.9	210.0	..	140.2
<b>2003–04</b>	142.0	110.0	130.0	223.3	..	143.5
<b>2004–05</b>	146.8	111.1	130.7	238.7	..	147.0
<b>2005–06</b>	155.5	109.5	132.0	253.2	101.2	151.7
<b>2002</b>						
December	140.3	108.4	131.9	205.3	..	139.5
<b>2003</b>						
March	143.7	108.8	132.4	214.7	..	141.3
June	139.4	108.9	131.5	214.8	..	141.3
September	141.3	109.7	130.0	215.1	..	142.1
December	140.7	109.9	131.1	215.1	..	142.8
<b>2004</b>						
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
<b>2005</b>						
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
<b>2006</b>						
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

.. 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)						
<b>2002-03</b>	3.6	2.9	0.8	3.6	1.1	6.8
<b>2003-04</b>	3.0	4.3	-0.5	4.4	0.1	6.8
<b>2004-05</b>	1.6	3.5	-1.7	3.8	-0.3	5.4
<b>2005-06</b>	4.8	3.4	-1.4	3.6	1.2	4.5
PERCENTAGE CHANGE (from corresponding quarter of previous year)						
<b>2002</b>						
December	2.5	2.7	1.2	3.2	1.1	6.6
<b>2003</b>						
March	3.9	2.9	0.2	3.8	0.8	7.2
June	4.4	3.0	0.0	4.1	0.9	7.5
September	3.0	3.8	0.3	4.6	0.8	7.2
December	3.4	4.4	-0.8	4.7	-0.2	6.9
<b>2004</b>						
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
<b>2005</b>						
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
<b>2006</b>						
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
PERCENTAGE CHANGE (from previous quarter)						
<b>2002</b>						
December	1.4	0.0	0.9	0.4	0.9	0.4
<b>2003</b>						
March	1.9	1.3	-1.4	1.3	-1.0	3.6
June	0.0	0.6	1.2	1.0	0.8	3.1
September	-0.3	1.9	-0.4	1.8	0.1	0.0
December	1.8	0.6	-0.2	0.6	-0.1	0.2
<b>2004</b>						
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
<b>2005</b>						
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
<b>2006</b>						
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

<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)						
<b>2002-03</b>	2.4	3.1	2.6	5.0	..	3.1
<b>2003-04</b>	1.0	1.4	-1.4	6.3	..	2.4
<b>2004-05</b>	3.4	1.0	0.5	6.9	..	2.4
<b>2005-06</b>	5.9	-1.4	1.0	6.1	..	3.2
PERCENTAGE CHANGE (from corresponding quarter of previous year)						
<b>2002</b>						
December	3.1	2.8	3.5	5.0	..	3.0
<b>2003</b>						
March	5.0	3.1	1.5	4.9	..	3.4
June	0.1	2.4	0.3	5.0	..	2.7
September	1.8	1.7	-1.4	4.9	..	2.6
December	0.3	1.4	-0.6	4.8	..	2.4
<b>2004</b>						
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
<b>2005</b>						
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
<b>2006</b>						
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
PERCENTAGE CHANGE (from previous quarter)						
<b>2002</b>						
December	1.1	0.5	0.1	0.1	..	0.7
<b>2003</b>						
March	2.4	0.4	0.4	4.6	..	1.3
June	-3.0	0.1	-0.7	0.0	..	0.0
September	1.4	0.7	-1.1	0.1	..	0.6
December	-0.4	0.2	0.8	0.0	..	0.5
<b>2004</b>						
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
<b>2005</b>						
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
<b>2006</b>						
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

.. not applicable

## CPI GROUPS, Index numbers(a)

Quarters	Sydney	Melbourne	Brisbane	Adelaide	Perth	Hobart	Darwin	Canberra	Weighted average of eight capital cities
FOOD									
<b>2004</b>									
December	155.3	153.3	155.5	158.8	152.8	150.7	149.6	158.4	154.6
<b>2005</b>									
March	156.9	154.1	157.5	159.9	154.4	152.9	151.9	160.0	156.0
June	156.4	154.5	157.4	160.3	156.5	153.1	151.4	159.6	156.2
September	158.0	156.0	157.2	161.9	157.4	153.4	152.4	159.4	157.4
December	161.0	158.1	160.8	165.5	159.7	156.1	154.4	164.3	160.2
<b>2006</b>									
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
ALCOHOL AND TOBACCO									
<b>2004</b>									
December	231.4	224.3	219.8	228.6	208.8	214.5	214.5	209.9	224.0
<b>2005</b>									
March	234.5	226.5	222.7	232.1	212.2	215.9	216.4	212.5	226.9
June	235.0	227.5	224.5	234.4	214.1	217.5	218.9	213.6	228.1
September	237.7	230.1	225.5	237.7	215.2	217.7	222.7	215.2	230.3
December	238.0	231.5	227.8	238.7	215.9	220.5	224.3	217.3	231.4
<b>2006</b>									
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
CLOTHING AND FOOTWEAR									
<b>2004</b>									
December	113.4	112.4	105.2	110.5	105.6	103.5	105.2	112.3	110.9
<b>2005</b>									
March	112.6	110.3	102.1	109.5	104.1	103.5	103.4	112.4	109.4
June	112.5	111.7	104.1	111.1	105.6	104.1	103.6	112.7	110.3
September	113.2	110.9	105.0	111.0	105.4	105.5	103.6	113.9	110.5
December	112.5	111.8	104.6	110.5	104.5	105.0	104.9	113.3	110.3
<b>2006</b>									
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
HOUSING									
<b>2004</b>									
December	130.5	112.5	135.0	125.1	118.7	126.9	136.5	129.5	124.3
<b>2005</b>									
March	131.1	114.0	135.7	126.8	121.6	128.5	138.6	130.0	125.5
June	132.0	113.9	136.6	126.2	124.1	129.4	140.5	131.1	126.2
September	133.6	115.5	138.3	127.3	126.9	130.9	142.0	133.5	128.0
December	134.4	115.6	139.7	127.9	129.7	131.4	143.7	134.4	128.8
<b>2006</b>									
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

(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									
<b>2004</b>									
December	120.7	122.0	123.1	120.8	117.8	129.4	112.1	125.9	121.3
<b>2005</b>									
March	118.7	120.9	123.3	118.2	114.7	129.2	111.5	124.1	119.7
June	120.0	121.4	124.2	120.7	118.3	129.8	113.0	126.7	121.2
September	120.3	122.3	123.5	121.6	119.0	130.7	113.1	127.8	121.6
December	120.9	123.3	124.8	121.9	119.3	131.5	114.3	129.3	122.4
<b>2006</b>									
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
HEALTH									
<b>2004</b>									
December	184.5	212.0	200.5	204.8	190.9	218.5	185.7	196.4	198.8
<b>2005</b>									
March	192.1	220.5	209.1	211.3	197.7	226.8	191.6	205.5	206.7
June	197.7	224.4	214.4	218.2	200.5	234.2	196.2	209.1	211.6
September	195.3	221.9	211.2	215.5	199.3	230.8	194.8	208.9	209.3
December	193.0	219.8	207.5	214.4	198.7	228.2	193.6	205.7	207.1
<b>2006</b>									
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
TRANSPORTATION									
<b>2004</b>									
December	148.8	146.7	145.0	149.4	146.6	144.1	140.2	144.9	147.2
<b>2005</b>									
March	147.5	145.4	144.3	147.8	144.6	142.3	139.5	143.4	145.8
June	150.7	148.3	147.2	151.5	147.3	145.1	141.6	145.8	148.8
September	154.7	153.9	152.0	157.4	152.1	150.0	144.3	151.6	153.7
December	153.6	153.1	151.4	156.5	152.1	150.1	146.7	152.1	153.0
<b>2006</b>									
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
COMMUNICATION									
<b>2004</b>									
December	110.7	111.0	114.7	112.6	109.5	112.1	102.9	109.8	111.2
<b>2005</b>									
March	111.1	111.4	115.1	113.0	109.9	112.5	103.2	110.2	111.6
June	110.1	110.4	114.1	112.0	108.9	111.5	102.3	109.2	110.6
September	109.3	109.6	113.3	111.2	108.1	110.8	101.6	108.5	109.8
December	108.5	108.8	112.4	110.4	107.3	110.0	100.8	107.7	109.0
<b>2006</b>									
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

(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									
<b>2004</b>									
December	134.3	131.1	126.9	131.8	127.3	128.0	108.2	128.4	130.9
<b>2005</b>									
March	134.5	132.7	128.1	132.0	127.9	129.5	106.6	128.9	131.8
June	133.3	130.4	125.7	130.7	127.1	126.9	107.3	127.2	130.1
September	134.7	132.0	126.7	132.1	129.0	128.7	111.1	129.5	131.7
December	134.7	132.0	127.6	132.1	129.2	129.1	108.3	128.9	131.7
<b>2006</b>									
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
EDUCATION									
<b>2004</b>									
December	239.6	221.7	249.0	266.6	214.9	241.6	167.0	213.7	231.7
<b>2005</b>									
March	254.5	234.4	265.8	282.9	227.9	249.9	173.9	227.1	245.7
June	254.7	234.7	265.9	283.0	227.9	250.0	174.1	227.2	245.9
September	254.6	234.8	266.6	283.2	227.9	250.0	174.3	227.2	246.0
December	254.7	235.3	266.7	283.4	227.9	250.4	174.3	227.6	246.3
<b>2006</b>									
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
FINANCIAL AND INSURANCE SERVICES (b)									
<b>2004</b>									
December	..	..	..	..	..	..	..	..	..
<b>2005</b>									
March	..	..	..	..	..	..	..	..	..
June	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
September	100.8	100.2	99.4	99.3	98.7	99.9	98.9	100.1	100.1
December	101.9	102.2	100.9	100.5	100.5	101.4	99.4	102.2	101.6
<b>2006</b>									
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

.. not applicable

(b) Base: June quarter 2005 = 100.0.

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



Group, sub-group and expenditure class									Weighted average of eight capital cities
	Sydney	Melbourne	Brisbane	Adelaide	Perth	Hobart	Darwin	Canberra	
<b>Food</b>	0.10	0.14	0.14	-0.01	0.15	0.37	0.26	0.17	0.12
Dairy and related products	0.04	0.01	0.02	—	0.01	0.03	0.01	0.01	0.03
Milk	0.02	0.01	0.01	0.01	-0.01	—	0.01	0.01	0.01
Cheese	0.01	-0.01	—	—	0.01	0.01	—	-0.01	—
Ice cream and other dairy products	0.01	0.01	0.01	—	0.01	0.02	—	0.01	0.01
Bread and cereal products	0.04	0.09	0.03	0.04	0.04	0.02	0.07	0.02	0.06
Bread	0.01	0.05	—	0.01	0.01	—	0.02	—	0.02
Cakes and biscuits	0.02	0.03	0.01	0.01	0.02	—	0.04	0.02	0.03
Breakfast cereals	0.01	0.01	0.01	0.01	0.01	0.01	—	0.01	0.01
Other cereal products	—	—	—	0.01	—	—	0.01	—	—
Meat and seafoods	—	0.01	0.07	0.03	-0.02	0.04	-0.02	0.02	0.01
Beef and veal	—	-0.01	-0.03	-0.02	-0.03	-0.02	-0.02	—	-0.01
Lamb and mutton	-0.01	—	-0.02	-0.01	—	0.01	-0.03	—	—
Pork	—	—	0.03	—	-0.01	-0.01	-0.01	-0.01	0.01
Poultry	-0.01	-0.02	0.03	0.04	-0.01	0.01	-0.02	-0.01	—
Bacon and ham	0.02	0.01	0.03	-0.01	0.02	0.02	0.02	0.03	0.01
Other fresh and processed meat	0.01	0.01	0.01	—	—	0.02	0.02	—	0.01
Fish and other seafood	0.01	0.01	0.01	0.02	0.02	-0.01	—	0.02	0.01
Fruit and vegetables	-0.12	-0.03	-0.11	-0.21	0.05	0.12	0.07	-0.01	-0.07
Fruit	-0.22	-0.08	-0.18	-0.22	-0.04	-0.09	-0.02	-0.12	-0.15
Vegetables	0.10	0.04	0.07	0.01	0.10	0.22	0.08	0.12	0.08
Non-alcoholic drinks and snack food	0.04	-0.02	0.03	0.02	—	0.03	0.01	0.03	0.01
Soft drinks, waters and juices	0.02	0.01	0.01	—	—	0.01	0.02	0.01	0.01
Snacks and confectionery	—	-0.02	0.01	0.02	—	0.02	-0.01	0.01	—
Meals out and take away foods	0.05	0.04	0.05	0.08	0.04	0.05	0.03	0.04	0.05
Restaurant meals	0.03	0.03	0.02	0.05	—	0.02	—	0.03	0.03
Take away and fast foods	0.03	—	0.02	0.03	0.05	0.03	0.04	0.02	0.02
Other food	0.05	0.03	0.05	0.04	0.03	0.08	0.10	0.06	0.05
Eggs	0.01	0.01	—	0.01	—	0.01	0.01	—	0.01
Jams, honey and sandwich spreads	—	—	—	-0.01	—	—	0.01	—	—
Tea, coffee and food drinks	0.01	—	0.01	0.01	—	0.02	0.01	0.02	0.01
Food additives and condiments	—	0.01	0.01	0.02	0.01	0.03	0.02	0.02	0.01
Fats and oils	0.02	0.01	—	0.01	—	0.01	—	0.01	0.01
Food n.e.c.	—	—	0.02	-0.01	0.01	0.02	0.04	0.02	0.01
<b>Alcohol and tobacco</b>	0.07	0.14	0.05	0.02	0.04	0.06	0.05	0.04	0.08
Alcoholic drinks	0.05	0.11	0.01	0.01	0.03	0.02	0.05	0.03	0.06
Beer	0.04	0.07	—	—	0.04	-0.01	0.01	—	0.04
Wine	—	-0.01	-0.01	—	-0.02	0.01	0.01	0.02	—
Spirits	0.01	0.04	0.01	0.01	—	0.01	0.03	0.01	0.02
Tobacco	0.02	0.03	0.05	—	0.02	0.04	—	0.01	0.02
<b>Clothing and footwear</b>	-0.02	—	-0.06	-0.08	0.05	-0.12	-0.05	-0.17	-0.02
Men's clothing	—	0.01	—	—	0.02	-0.01	-0.01	-0.02	—
Men's outerwear	—	0.01	-0.01	—	0.01	—	—	-0.02	0.01
Men's underwear, nightwear and socks	—	—	—	—	-0.01	—	-0.01	-0.01	0.01
Women's clothing	-0.01	-0.01	-0.01	-0.05	0.01	-0.04	-0.06	-0.06	-0.01
Women's outerwear	-0.02	-0.01	-0.01	-0.03	—	-0.02	-0.06	-0.05	-0.02
Women's underwear, nightwear and hosiery	0.01	—	-0.01	-0.02	0.01	-0.01	—	—	—
Children's and infants' clothing	—	0.01	-0.01	-0.01	0.01	-0.02	0.02	-0.01	—
Footwear	—	-0.02	-0.01	-0.04	-0.02	-0.03	—	-0.04	-0.01
Men's footwear	—	-0.01	-0.01	—	-0.01	-0.02	—	-0.02	—
Women's footwear	—	—	-0.01	-0.03	-0.01	-0.01	-0.01	-0.02	-0.01
Children's footwear	—	—	—	-0.01	—	—	—	-0.01	—
Accessories and clothing services	-0.01	-0.01	-0.02	0.01	0.05	-0.03	—	-0.04	-0.01
Accessories	-0.01	—	-0.02	—	0.04	-0.04	-0.01	-0.04	-0.01
Clothing services and shoe repair	—	—	—	—	—	0.01	—	0.01	—

— nil or rounded to zero (including null cells)

(a) All groups index points.

Group, sub-group and expenditure class	Sydney	Melbourne	Brisbane	Adelaide	Perth	Hobart	Darwin	Canberra	Weighted average of eight capital cities
<b>Housing</b>	0.08	0.22	0.23	0.05	0.23	-0.03	0.80	0.15	0.16
Rents	0.08	0.04	0.13	0.06	0.11	0.03	0.12	0.10	0.08
Utilities	0.01	0.02	—	-0.01	—	-0.03	—	—	0.01
Electricity	—	0.05	—	—	—	—	—	—	0.01
Gas and other household fuels	—	-0.03	—	—	—	-0.04	—	—	—
Water and sewerage	0.01	—	—	—	—	—	—	—	0.01
Other housing	-0.02	0.16	0.09	—	0.11	-0.01	0.67	0.05	0.07
House purchase	-0.03	0.14	0.07	-0.02	0.13	—	0.65	0.05	0.06
Property rates and charges	—	—	—	—	—	—	—	—	—
House repairs and maintenance	0.02	0.02	0.02	0.02	-0.03	-0.01	0.02	0.01	0.02
<b>Household contents and services</b>	-0.02	0.01	0.07	-0.10	0.18	0.02	0.21	0.07	0.03
Furniture and furnishings	0.03	-0.03	0.05	-0.02	0.14	-0.03	0.02	0.07	0.03
Furniture	0.03	-0.02	0.09	—	0.07	-0.04	—	0.08	0.02
Floor and window coverings	0.01	-0.01	—	0.01	0.05	—	0.02	-0.02	0.01
Towels and linen	-0.01	—	-0.04	-0.04	0.02	—	—	—	-0.01
Household appliances, utensils and tools	-0.03	-0.01	—	-0.10	—	—	0.07	-0.06	-0.03
Major household appliances	-0.01	—	0.01	-0.01	0.02	0.02	0.04	-0.03	—
Small electric household appliances	—	—	-0.02	—	—	-0.01	—	-0.01	—
Glassware, tableware and household utensils	-0.02	-0.01	—	-0.09	-0.02	-0.01	0.02	-0.02	-0.02
Tools	—	—	—	—	—	—	—	—	—
Household supplies	-0.03	0.03	—	-0.02	-0.04	—	0.03	0.03	-0.01
Household cleaning agents	—	0.01	0.01	0.01	—	—	-0.01	—	0.01
Toiletries and personal care products	-0.03	0.01	-0.03	-0.02	-0.05	-0.02	0.02	0.02	-0.02
Other household supplies	-0.01	0.02	0.02	-0.01	0.01	0.02	0.03	0.02	—
Household services	0.03	—	0.03	0.04	0.09	0.05	0.09	0.03	0.03
Child care	0.02	—	0.01	0.02	0.03	0.03	0.02	0.01	0.01
Hairdressing and personal care services	0.01	—	0.01	—	0.02	0.03	0.03	0.01	0.01
Other household services	—	—	—	0.03	0.03	—	0.06	0.01	0.01
<b>Health</b>	-0.11	-0.01	-0.07	-0.02	-0.03	-0.06	0.05	-0.10	-0.06
Health services	-0.02	0.07	0.01	0.05	0.02	0.04	0.10	-0.01	0.02
Hospital and medical services	-0.02	0.07	—	0.04	0.02	0.02	0.10	-0.01	0.02
Optical services	—	—	—	—	—	—	—	—	—
Dental services	—	—	0.01	0.01	—	0.02	—	—	—
Pharmaceuticals	-0.09	-0.09	-0.08	-0.07	-0.06	-0.10	-0.05	-0.09	-0.08
<b>Transportation</b>	-0.79	-0.83	-0.77	-0.84	-0.66	-1.06	-0.62	-0.91	-0.79
Private motoring	-0.79	-0.83	-0.77	-0.84	-0.67	-1.06	-0.62	-0.91	-0.79
Motor vehicles	-0.01	—	0.01	0.15	0.10	-0.02	-0.01	-0.03	0.02
Automotive fuel	-0.81	-0.89	-0.83	-1.03	-0.81	-1.08	-0.66	-0.89	-0.86
Motor vehicle repair and servicing	0.02	0.07	0.02	0.04	0.02	0.01	0.01	0.01	0.03
Motor vehicle parts and accessories	0.02	-0.01	—	0.01	0.01	0.02	0.03	—	—
Other motoring charges	0.02	—	0.02	—	—	—	—	0.01	0.01
Urban transport fares	—	—	—	—	0.01	—	—	—	—
<b>Communication</b>	0.03	0.02	0.03	0.02	0.03	0.02	0.02	0.02	0.02
Postal	—	—	0.01	—	—	—	—	—	—
Telecommunication	0.03	0.01	0.03	0.02	0.03	0.02	0.02	0.02	0.03

— nil or rounded to zero (including null cells)

(a) All groups index points.

Group, sub-group and expenditure class									Weighted average of eight capital cities
	Sydney	Melbourne	Brisbane	Adelaide	Perth	Hobart	Darwin	Canberra	
<b>Recreation</b>	0.24	0.14	0.12	0.36	0.48	0.23	0.03	0.24	0.23
Audio, visual and computing	-0.07	-0.07	-0.06	-0.10	-0.05	-0.08	-0.05	-0.12	-0.07
Audio, visual and computing equipment	-0.06	-0.06	-0.05	-0.07	-0.05	-0.04	-0.02	-0.07	-0.06
Audio, visual and computing media and services	-0.01	-0.02	-0.02	-0.04	0.01	-0.03	-0.03	-0.05	-0.01
Books, newspapers and magazines	—	0.01	0.02	0.03	0.04	0.05	0.02	0.01	0.01
Books	—	—	0.01	—	0.01	0.01	0.01	0.01	0.01
Newspapers and magazines	—	0.01	—	0.03	0.03	0.04	0.01	—	0.01
Sport and other recreation	0.04	0.04	0.01	0.01	0.01	0.05	0.08	0.05	0.03
Sports and recreational equipment	—	0.01	—	—	-0.01	0.01	0.03	0.02	—
Toys, games and hobbies	-0.01	—	-0.01	-0.01	-0.01	-0.01	-0.01	0.01	—
Sports participation	—	0.02	0.01	-0.01	0.02	—	0.01	—	0.01
Pets, pet foods and supplies	0.01	0.01	0.01	0.01	—	0.03	0.01	0.01	0.01
Pet services including veterinary	—	—	0.01	0.02	—	—	0.01	—	0.01
Other recreational activities	0.03	—	0.01	—	0.02	0.02	0.03	0.02	0.02
Holiday travel and accommodation	0.27	0.17	0.16	0.43	0.48	0.22	-0.02	0.30	0.26
Domestic holiday travel and accommodation	0.25	0.19	0.15	0.28	0.33	0.23	-0.08	0.25	0.22
Overseas holiday travel and accommodation	0.02	-0.02	0.02	0.14	0.14	-0.02	0.06	0.05	0.04
<b>Education</b>	—	0.01	0.01	—	—	—	—	—	—
Preschool and primary education	—	—	—	—	—	—	—	—	—
Secondary education	—	—	—	—	—	—	—	—	—
Tertiary education	—	—	—	—	—	—	—	—	—
<b>Financial and insurance services</b>	0.11	-0.02	0.08	0.02	0.10	0.14	0.06	0.09	0.05
Financial services	0.10	0.06	0.06	0.03	0.06	0.07	0.05	0.11	0.07
Deposit and loan facilities	0.05	0.01	0.02	0.03	0.03	0.02	0.02	0.04	0.04
Other financial services	0.04	0.05	0.03	—	0.03	0.05	0.02	0.08	0.04
Insurance services	—	-0.08	0.03	-0.01	0.03	0.06	0.02	-0.01	-0.01
<b>All groups</b>	<b>-0.3</b>	<b>-0.2</b>	<b>-0.2</b>	<b>-0.5</b>	<b>0.6</b>	<b>-0.4</b>	<b>0.8</b>	<b>-0.4</b>	<b>-0.2</b>

— nil or rounded to zero (including null cells)

(a) All groups index points.

## GROUP, SUB-GROUP AND EXPENDITURE CLASS, weighted average of eight capital cities

Group, sub-group and expenditure class	INDEX NUMBERS(a)			PERCENTAGE CHANGE		CONTRIBUTION TO TOTAL CPI (ALL GROUPS INDEX POINTS)		CHANGE IN POINTS CONTRIBUTION
	Dec Qtr 2005	Sep Qtr 2006	Dec Qtr 2006	Sep Qtr 2006 to Dec Qtr 2006	Dec Qtr 2005 to Dec Qtr 2006	Sep Qtr 2006	Dec Qtr 2006	Sep Qtr 2006 to Dec Qtr 2006
<b>Food</b>	160.2	173.0	173.9	0.5	8.6	25.38	25.50	0.12
Dairy and related products	171.9	176.7	178.7	1.1	4.0	1.84	1.87	0.03
Milk	187.9	191.8	193.9	1.1	3.2	0.86	0.87	0.01
Cheese	149.7	155.6	156.1	0.3	4.3	0.51	0.51	—
Ice cream and other dairy products	161.8	166.4	169.8	2.0	4.9	0.48	0.49	0.01
Bread and cereal products	170.1	175.1	178.6	2.0	5.0	2.71	2.77	0.06
Bread	193.3	201.5	205.2	1.8	6.2	1.03	1.05	0.02
Cakes and biscuits	158.3	162.3	165.5	2.0	4.5	1.10	1.13	0.03
Breakfast cereals	147.7	151.0	154.9	2.6	4.9	0.31	0.32	0.01
Other cereal products	142.0	142.0	145.2	2.3	2.3	0.27	0.27	—
Meat and seafoods	145.4	147.6	148.0	0.3	1.8	3.66	3.67	0.01
Beef and veal	162.9	165.5	162.4	-1.9	-0.3	0.76	0.75	-0.01
Lamb and mutton	209.2	216.2	214.7	-0.7	2.6	0.41	0.41	—
Pork	163.3	168.4	169.7	0.8	3.9	0.24	0.25	0.01
Poultry	97.7	95.1	94.8	-0.3	-3.0	0.67	0.67	—
Bacon and ham	134.3	137.9	143.5	4.1	6.9	0.35	0.36	0.01
Other fresh and processed meat	152.3	157.9	159.2	0.8	4.5	0.58	0.59	0.01
Fish and other seafood	128.2	130.2	132.2	1.5	3.1	0.64	0.65	0.01
Fruit and vegetables	148.6	206.1	203.0	-1.5	36.6	4.67	4.60	-0.07
Fruit	161.5	293.4	278.1	-5.2	72.2	2.80	2.65	-0.15
Vegetables	141.2	144.5	150.4	4.1	6.5	1.87	1.95	0.08
Non-alcoholic drinks and snack food	162.5	170.7	171.5	0.5	5.5	3.09	3.10	0.01
Soft drinks, waters and juices	144.0	153.0	154.4	0.9	7.2	1.44	1.45	0.01
Snacks and confectionery	186.0	193.4	193.5	0.1	4.0	1.65	1.65	—
Meals out and take away foods	168.3	172.4	173.6	0.7	3.1	7.06	7.11	0.05
Restaurant meals	172.6	176.9	178.4	0.8	3.4	3.10	3.13	0.03
Take away and fast foods	166.8	170.8	171.8	0.6	3.0	3.96	3.98	0.02
Other food	148.0	153.9	156.7	1.8	5.9	2.34	2.39	0.05
Eggs	177.6	184.7	193.5	4.8	9.0	0.16	0.17	0.01
Jams, honey and sandwich spreads	182.7	189.9	190.6	0.4	4.3	0.24	0.24	—
Tea, coffee and food drinks	137.6	144.1	146.6	1.7	6.5	0.38	0.39	0.01
Food additives and condiments	129.7	134.4	137.8	2.5	6.2	0.42	0.43	0.01
Fats and oils	151.4	162.2	168.1	3.6	11.0	0.30	0.31	0.01
Food n.e.c.	147.9	152.0	153.0	0.7	3.4	0.84	0.85	0.01
<b>Alcohol and tobacco</b>	231.4	237.7	239.5	0.8	3.5	10.50	10.58	0.08
Alcoholic drinks	170.0	173.4	174.8	0.8	2.8	6.72	6.78	0.06
Beer	184.6	190.7	193.0	1.2	4.6	3.03	3.07	0.04
Wine	148.6	148.2	148.1	-0.1	-0.3	2.33	2.33	—
Spirits	167.4	172.8	175.4	1.5	4.8	1.36	1.38	0.02
Tobacco	401.9	418.0	420.5	0.6	4.6	3.78	3.80	0.02
<b>Clothing and footwear</b>	110.3	108.5	108.1	-0.4	-2.0	5.71	5.69	-0.02
Men's clothing	107.4	106.3	106.9	0.6	-0.5	1.09	1.09	—
Men's outerwear	104.8	103.5	104.1	0.6	-0.7	0.92	0.93	0.01
Men's underwear, nightwear and socks	121.8	121.8	122.4	0.5	0.5	0.16	0.17	0.01
Women's clothing	112.2	108.6	107.9	-0.6	-3.8	2.01	2.00	-0.01
Women's outerwear	105.8	101.5	100.6	-0.9	-4.9	1.61	1.59	-0.02
Women's underwear, nightwear and hosiery	138.0	138.3	138.9	0.4	0.7	0.40	0.40	—
Children's and infants' clothing	116.8	115.7	115.5	-0.2	-1.1	0.59	0.59	—
Footwear	98.0	98.2	96.8	-1.4	-1.2	0.96	0.95	-0.01
Men's footwear	92.8	91.5	89.6	-2.1	-3.4	0.26	0.26	—
Women's footwear	101.9	103.6	102.2	-1.4	0.3	0.52	0.51	-0.01
Children's footwear	99.5	97.6	97.2	-0.4	-2.3	0.18	0.18	—
Accessories and clothing services(b)	107.6	106.5	106.2	-0.3	-1.3	1.07	1.06	-0.01
Accessories(b)	92.2	90.3	89.9	-0.4	-2.5	0.82	0.81	-0.01
Clothing services and shoe repair	178.8	183.8	183.9	0.1	2.9	0.25	0.25	—

— nil or rounded to zero (including null cells)

(b) Base: June quarter 1998 = 100.0.

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

Group, sub-group and expenditure class	INDEX NUMBERS(a)			PERCENTAGE CHANGE		CONTRIBUTION TO TOTAL CPI (ALL GROUPS INDEX POINTS)		CHANGE IN POINTS CONTRIBUTION
	Dec Qtr 2005	Sep Qtr 2006	Dec Qtr 2006	Sep Qtr 2006 to Dec Qtr 2006	Dec Qtr 2005 to Dec Qtr 2006	Sep Qtr 2006	Dec Qtr 2006	Sep Qtr 2006 to Dec Qtr 2006
<b>Housing</b>	128.8	132.2	132.9	0.5	3.2	30.34	30.50	0.16
Rents	145.1	149.0	150.5	1.0	3.7	8.05	8.13	0.08
Utilities	161.0	167.4	167.8	0.2	4.2	4.92	4.93	0.01
Electricity	153.6	157.4	158.3	0.6	3.1	2.54	2.55	0.01
Gas and other household fuels	179.0	188.6	187.4	-0.6	4.7	1.11	1.11	—
Water and sewerage(b)	132.1	139.7	140.2	0.4	6.1	1.27	1.28	0.01
Other housing	123.6	126.3	126.8	0.4	2.6	17.37	17.44	0.07
House purchase(b)	149.2	151.7	152.4	0.5	2.1	12.12	12.18	0.06
Property rates and charges(b)	147.9	156.2	156.2	0.0	5.6	1.91	1.91	—
House repairs and maintenance	159.9	163.1	163.7	0.4	2.4	3.34	3.36	0.02
<b>Household contents and services</b>	122.4	124.5	124.7	0.2	1.9	14.64	14.67	0.03
Furniture and furnishings	129.8	129.7	130.4	0.5	0.5	4.68	4.71	0.03
Furniture	130.7	129.9	131.0	0.8	0.2	2.93	2.95	0.02
Floor and window coverings	142.6	144.5	145.4	0.6	2.0	1.18	1.19	0.01
Towels and linen	107.4	107.3	105.6	-1.6	-1.7	0.58	0.57	-0.01
Household appliances, utensils and tools	104.0	103.6	102.7	-0.9	-1.3	2.59	2.56	-0.03
Major household appliances	109.9	106.8	106.7	-0.1	-2.9	0.97	0.97	—
Small electric household appliances	94.0	93.5	92.9	-0.6	-1.2	0.38	0.38	—
Glassware, tableware and household utensils	95.4	97.9	95.0	-3.0	-0.4	0.71	0.69	-0.02
Tools	110.1	110.3	110.7	0.4	0.5	0.52	0.52	—
Household supplies	135.1	138.5	138.2	-0.2	2.3	4.47	4.46	-0.01
Household cleaning agents	128.1	130.0	131.3	1.0	2.5	0.50	0.51	0.01
Toiletries and personal care products	143.9	146.4	145.0	-1.0	0.8	1.80	1.78	-0.02
Other household supplies	139.0	143.7	144.0	0.2	3.6	2.17	2.17	—
Household services	213.8	225.4	227.8	1.1	6.5	2.90	2.93	0.03
Child care	211.8	233.9	238.5	2.0	12.6	0.78	0.79	0.01
Hairdressing and personal care services	179.7	184.9	186.0	0.6	3.5	1.17	1.18	0.01
Other household services	211.6	221.6	223.4	0.8	5.6	0.95	0.96	0.01
<b>Health</b>	207.1	219.8	218.0	-0.8	5.3	7.24	7.18	-0.06
Health services	225.3	237.9	238.9	0.4	6.0	5.59	5.61	0.02
Hospital and medical services	235.2	249.1	250.2	0.4	6.4	4.34	4.36	0.02
Optical services	145.0	146.5	146.6	0.1	1.1	0.18	0.18	—
Dental services	215.4	226.2	227.3	0.5	5.5	1.07	1.07	—
Pharmaceuticals	143.9	155.5	147.7	-5.0	2.6	1.65	1.57	-0.08
<b>Transportation</b>	153.0	160.8	154.7	-3.8	1.1	21.01	20.22	-0.79
Private motoring	149.7	157.5	151.2	-4.0	1.0	19.87	19.08	-0.79
Motor vehicles	97.9	99.1	99.4	0.3	1.5	7.27	7.29	0.02
Automotive fuel	201.8	225.0	197.2	-12.4	-2.3	6.92	6.06	-0.86
Motor vehicle repair and servicing	145.4	149.8	151.3	1.0	4.1	3.04	3.07	0.03
Motor vehicle parts and accessories	118.5	120.8	121.6	0.7	2.6	1.06	1.06	—
Other motoring charges	202.4	210.8	211.8	0.5	4.6	1.59	1.60	0.01
Urban transport fares	209.7	217.3	217.5	0.1	3.7	1.14	1.14	—
<b>Communication</b>	109.0	110.3	110.8	0.5	1.7	4.90	4.92	0.02
Postal	136.0	137.5	138.3	0.6	1.7	0.17	0.17	—
Telecommunication	106.7	108.0	108.4	0.4	1.6	4.73	4.76	0.03

— nil or rounded to zero (including null cells)

(b) Base: June quarter 1998 = 100.0.

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

Group, sub-group and expenditure class	INDEX NUMBERS(a)			PERCENTAGE CHANGE		CONTRIBUTION TO TOTAL CPI (ALL GROUPS INDEX POINTS)		CHANGE IN POINTS CONTRIBUTION
	Dec Qtr 2005	Sep Qtr 2006	Dec Qtr 2006	Sep Qtr 2006 to Dec Qtr 2006	Dec Qtr 2005 to Dec Qtr 2006	Sep Qtr 2006	Dec Qtr 2006	Sep Qtr 2006 to Dec Qtr 2006
<b>Recreation</b>	131.7	133.0	134.8	1.4	2.4	17.53	17.76	0.23
Audio, visual and computing	51.9	50.3	49.4	-1.8	-4.8	4.08	4.01	-0.07
Audio, visual and computing equipment	27.4	25.9	25.2	-2.7	-8.0	2.05	1.99	-0.06
Audio, visual and computing media and services	97.8	97.3	96.5	-0.8	-1.3	2.03	2.02	-0.01
Books, newspapers and magazines	207.2	209.9	211.9	1.0	2.3	1.29	1.30	0.01
Books(b)	124.8	125.4	125.9	0.4	0.9	0.66	0.67	0.01
Newspapers and magazines(b)	138.4	141.4	143.6	1.6	3.8	0.62	0.63	0.01
Sport and other recreation	165.0	168.5	169.3	0.5	2.6	5.75	5.78	0.03
Sports and recreational equipment(b)	88.3	86.6	86.5	-0.1	-2.0	0.80	0.80	—
Toys, games and hobbies(b)	96.6	95.4	94.6	-0.8	-2.1	0.74	0.74	—
Sports participation(b)	148.8	153.0	154.1	0.7	3.6	1.14	1.15	0.01
Pets, pet foods and supplies	147.3	152.1	154.6	1.6	5.0	0.65	0.66	0.01
Pet services including veterinary	201.7	207.4	208.5	0.5	3.4	0.69	0.70	0.01
Other recreational activities(b)	139.5	145.6	146.8	0.8	5.2	1.72	1.74	0.02
Holiday travel and accommodation	135.6	139.2	144.9	4.1	6.9	6.41	6.67	0.26
Domestic holiday travel and accommodation	146.0	147.9	157.1	6.2	7.6	3.65	3.87	0.22
Overseas holiday travel and accommodation	122.8	128.5	130.1	1.2	5.9	2.76	2.80	0.04
<b>Education</b>	246.3	258.0	258.0	0.0	4.8	4.25	4.25	—
Preschool and primary education(c)	138.6	147.7	147.8	0.1	6.6	0.84	0.84	—
Secondary education(c)	138.3	147.8	147.8	0.0	6.9	1.50	1.50	—
Tertiary education(c)	123.9	126.9	126.9	0.0	2.4	1.91	1.91	—
<b>Financial and insurance services(d)</b>	101.6	102.5	103.0	0.5	1.4	14.16	14.21	0.05
Financial services(d)	101.5	101.9	102.5	0.6	1.0	11.80	11.87	0.07
Deposit and loan facilities(d)	101.6	100.4	100.9	0.5	-0.7	6.65	6.69	0.04
Other financial services(d)	101.4	103.8	104.6	0.8	3.2	5.14	5.18	0.04
Insurance services	253.7	263.4	262.0	-0.5	3.3	2.36	2.35	-0.01
<b>All groups</b>	<b>150.6</b>	<b>155.7</b>	<b>155.5</b>	<b>-0.1</b>	<b>3.3</b>	<b>155.7</b>	<b>155.5</b>	<b>-0.2</b>

— nil or rounded to zero (including null cells)

(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
	Dec Qtr 2005	Sep Qtr 2006	Dec Qtr 2006	Sep Qtr 2006 to Dec Qtr 2006	Dec Qtr 2005 to Dec Qtr 2006	Sep Qtr 2006	Dec Qtr 2006	Sep Qtr 2006 to Dec Qtr 2006
<b>All groups</b>	150.60	155.7	155.5	-0.1	3.3	155.7	155.5	-0.2
<b>Selected components</b>								
Goods component	149.6	155.2	153.9	-0.8	2.9	91.48	90.72	-0.76
Services component	153.3	157.6	159.1	1.0	3.8	64.19	64.77	0.58
Tradables component(c)	114.8	119.8	118.1	-1.4	2.9	65.50	64.57	-0.93
Non-tradables component(c)	133.3	136.9	138.0	0.8	3.5	90.17	90.92	0.75
<b>All groups excluding</b>								
Food	148.6	152.3	152.0	-0.2	2.3	130.29	129.99	-0.30
Alcohol and tobacco	144.9	149.9	149.6	-0.2	3.2	145.17	144.91	-0.26
Clothing and footwear	153.3	158.8	158.6	-0.1	3.5	149.95	149.80	-0.15
Housing	153.6	159.1	158.7	-0.3	3.3	125.33	124.99	-0.34
Household contents and services	154.9	160.4	160.2	-0.1	3.4	141.03	140.83	-0.20
Health	147.8	152.6	152.5	-0.1	3.2	148.43	148.31	-0.12
Transportation	150.3	154.9	155.7	0.5	3.6	134.66	135.28	0.62
Communication	151.5	156.7	156.5	-0.1	3.3	150.77	150.57	-0.20
Recreation	153.3	158.9	158.5	-0.3	3.4	138.14	137.74	-0.40
Education	149.4	154.3	154.2	-0.1	3.2	151.41	151.24	-0.17
Financial and insurance services	156.9	162.6	162.3	-0.2	3.4	141.51	141.28	-0.23
Housing and Financial and insurance services	153.7	159.7	159.2	-0.3	3.6	111.17	110.78	-0.39
Hospital and medical services	148.3	153.2	153.0	-0.1	3.2	151.33	151.13	-0.20

(a) Refer to paragraph 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				MARKET GOODS AND SERVICES EXCLUDING 'VOLATILE ITEMS'				
	All groups	All groups excluding Housing and Financial and insurance services	All groups excluding 'volatile items'	Goods	Services	Total	Tradables(c)	Non-tradables(c)
<b>2002-03</b>	140.2	144.6	147.4	139.6	154.7	143.8	111.3	120.0
<b>2003-04</b>	143.5	147.3	150.8	141.6	157.7	146.1	111.5	125.1
<b>2004-05</b>	147.0	150.3	154.0	143.2	161.5	148.4	112.6	129.6
<b>2005-06</b>	151.7	155.2	157.6	145.6	165.2	151.2	116.0	133.9
<b>2002</b>								
December	139.5	144.0	146.8	139.2	154.5	143.5	111.1	119.2
<b>2003</b>								
March	141.3	145.9	148.0	139.9	155.2	144.2	112.4	120.8
June	141.3	145.5	148.9	140.8	155.6	144.9	111.4	121.7
September	142.1	145.9	149.8	141.3	156.2	145.5	111.1	123.3
December	142.8	146.6	150.3	141.4	157.9	146.1	111.1	124.4
<b>2004</b>								
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
<b>2005</b>								
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
<b>2006</b>								
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

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

(c) Base: June quarter 1998 = 100.0.

(b) Refer to paragraph 12 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'				
	All groups		All groups excluding 'volatile items'	Goods	Services	Total	Tradables	Non-tradables
PERCENTAGE CHANGE (from previous financial year)								
2002-03	3.1	3.0	2.9	1.8	3.6	2.3	2.0	3.9
2003-04	2.4	1.9	2.3	1.4	1.9	1.6	0.2	4.3
2004-05	2.4	2.0	2.1	1.1	2.4	1.6	1.0	3.6
2005-06	3.2	3.3	2.3	1.7	2.3	1.9	3.0	3.3
PERCENTAGE CHANGE (from corresponding quarter of previous year)								
2002								
December	3.0	2.9	2.9	1.6	4.1	2.4	2.2	3.7
2003								
March	3.4	3.4	2.7	1.7	3.1	2.1	2.7	4.0
June	2.7	2.3	2.7	1.9	2.5	2.0	1.0	4.1
September	2.6	2.2	2.6	2.1	1.8	2.0	0.7	4.1
December	2.4	1.8	2.4	1.6	2.2	1.8	0.0	4.4
2004								
March	2.0	1.4	2.1	1.1	1.8	1.3	-0.5	4.1
June	2.5	2.1	1.9	0.9	1.9	1.2	0.5	4.1
September	2.3	2.0	1.8	0.6	2.4	1.2	0.7	3.6
December	2.6	2.3	2.1	1.2	2.1	1.4	1.4	3.5
2005								
March	2.4	2.0	2.4	1.3	2.8	1.8	0.6	3.7
June	2.5	2.1	2.3	1.5	2.4	1.8	1.3	3.5
September	3.0	3.0	2.4	1.9	2.2	2.0	2.6	3.4
December	2.8	2.5	2.3	1.5	2.2	1.8	2.0	3.5
2006								
March	3.0	3.1	2.2	1.6	1.9	1.7	2.8	3.1
June	4.0	4.4	2.4	1.5	2.7	2.0	4.8	3.4
September	3.9	4.2	2.6	1.7	2.9	2.1	4.4	3.6
December	3.3	3.6	2.7	1.7	3.2	2.3	2.9	3.5
PERCENTAGE CHANGE (from previous quarter)								
2002								
December	0.7	0.8	0.5	0.6	0.7	0.6	0.7	0.7
2003								
March	1.3	1.3	0.8	0.5	0.5	0.5	1.2	1.3
June	0.0	-0.3	0.6	0.6	0.3	0.5	-0.9	0.7
September	0.6	0.3	0.6	0.4	0.4	0.4	-0.3	1.3
December	0.5	0.5	0.3	0.1	1.1	0.4	0.0	0.9
2004								
March	0.9	0.9	0.5	0.1	0.1	0.0	0.6	1.1
June	0.5	0.5	0.5	0.4	0.4	0.4	0.2	0.7
September	0.4	0.1	0.5	0.1	0.8	0.3	-0.1	0.9
December	0.8	0.7	0.6	0.6	0.8	0.7	0.6	0.8
2005								
March	0.7	0.6	0.8	0.2	0.8	0.4	-0.1	1.3
June	0.6	0.6	0.4	0.6	-0.1	0.3	0.8	0.5
September	0.9	1.0	0.6	0.5	0.6	0.6	1.2	0.8
December	0.5	0.3	0.4	0.3	0.9	0.5	0.0	0.8
2006								
March	0.9	1.1	0.8	0.3	0.5	0.3	0.8	0.9
June	1.6	1.9	0.6	0.5	0.7	0.6	2.7	0.8
September	0.9	0.8	0.8	0.6	0.8	0.7	0.8	1.0
December	-0.1	-0.3	0.5	0.3	1.1	0.7	-1.4	0.8

(a) Refer to paragraph 12 of the Explanatory Notes for a description of these series.

<i>Period</i>	<i>Australia</i>	<i>New Zealand</i>	<i>Hong Kong(b)</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>
<b>2002-03</b>	144.6	129.8	159.0	495.8	106.4	190.9	122.4	130.5	135.2	138.9	127.4	145.8
<b>2003-04</b>	147.3	130.4	158.5	524.4	106.1	197.4	124.2	131.1	136.9	141.8	128.9	147.9
<b>2004-05</b>	150.3	132.9	161.2	560.2	106.2	204.9	125.6	134.7	139.3	146.2	131.1	149.7
<b>2005-06</b>	155.2	136.7	162.6	646.6	106.2	210.4	126.9	138.2	142.2	152.6	133.1	152.8
<b>2002</b>												
December	144.0	129.9	159.8	498.6	106.5	189.1	122.2	131.1	134.5	138.2	126.8	145.4
<b>2003</b>												
March	145.9	130.1	158.4	500.9	106.0	192.7	122.7	130.1	136.2	139.7	127.9	146.0
June	145.5	129.8	157.7	503.3	106.5	193.7	122.4	130.3	135.8	140.1	127.7	147.1
September	145.9	129.6	156.9	509.8	106.3	194.0	123.0	129.4	136.2	140.6	128.1	147.1
December	146.6	130.1	158.2	523.2	106.1	195.8	123.3	131.1	136.0	140.6	128.1	147.7
<b>2004</b>												
March	147.9	130.5	159.0	526.4	105.8	199.1	125.1	131.2	136.9	141.8	129.2	147.9
June	148.6	131.2	160.0	538.3	106.2	200.5	125.3	132.6	138.6	144.0	130.2	148.9
September	148.8	131.6	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
<b>2005</b>												
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	136.0	162.6	655.1	106.1	208.8	127.1	138.5	141.5	152.0	132.9	152.3
<b>2006</b>												
March	155.4	136.7	162.2	668.6	106.0	211.4	127.2	136.0	141.9	152.4	132.8	152.5
June	158.4	138.9	163.4	673.3	106.9	212.5	127.1	138.6	143.6	155.2	133.7	154.9
September	159.7	nya	164.0	681.5	nya	214.3	127.3	138.5	143.3	155.7	134.2	156.0
December	159.2	nya	nya	nya	nya	nya	nya	137.7	nya	153.7	134.2	157.1

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(b) Series revised, see Changes in this Issue on page 2.

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

Period	Australia	New Zealand	Hong Kong(a)	Indonesia	Japan	Korea, Republic of	Singapore	Taiwan	Canada	United States of America	Germany	United Kingdom
PERCENTAGE CHANGE (from previous financial year)												
<b>2002–03</b>	3.0	2.0	–2.0	8.2	–1.2	3.2	0.4	–0.1	3.8	1.8	1.1	1.6
<b>2003–04</b>	1.9	0.5	–0.3	5.8	–0.3	3.4	1.5	0.5	1.3	2.1	1.2	1.4
<b>2004–05</b>	2.0	1.9	1.7	6.8	0.1	3.8	1.1	2.7	1.8	3.1	1.7	1.2
<b>2005–06</b>	3.3	2.9	0.9	15.4	0.0	2.7	1.0	2.6	2.1	4.4	1.5	2.1
PERCENTAGE CHANGE (from corresponding quarter of previous year)												
<b>2002</b>												
December	2.9	2.5	–2.1	9.9	–1.7	3.2	0.4	–0.4	4.5	1.8	1.3	1.5
<b>2003</b>												
March	3.4	2.1	–1.7	6.6	–0.9	4.1	1.0	0.0	4.8	2.9	1.0	1.8
June	2.3	0.8	–2.1	6.2	–0.3	3.2	0.3	–0.1	2.5	2.0	0.7	1.7
September	2.2	0.3	–2.0	6.1	–0.3	3.1	0.7	–0.8	1.6	2.1	0.8	1.8
December	1.8	0.2	–1.0	4.9	–0.4	3.5	0.9	0.0	1.1	1.7	1.0	1.6
<b>2004</b>												
March	1.4	0.3	0.4	5.1	–0.2	3.3	2.0	0.8	0.5	1.5	1.0	1.3
June	2.1	1.1	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	2.1	2.1	5.7	0.7	3.7	1.9	2.4	2.1	3.6	2.0	1.2
<b>2005</b>												
March	2.0	2.0	1.5	8.5	–0.2	3.5	0.2	2.1	1.7	3.1	1.5	1.2
June	2.1	2.1	1.2	7.2	–0.1	3.4	0.2	2.7	1.4	3.2	1.2	1.5
September	3.0	2.8	1.3	9.3	–0.4	2.7	0.5	3.9	2.5	4.6	1.7	1.9
December	2.5	2.4	0.6	18.5	–0.7	2.9	1.2	3.2	1.9	4.3	1.8	1.9
<b>2006</b>												
March	3.1	2.7	0.5	17.0	0.4	2.6	1.4	1.6	1.9	4.2	1.2	1.9
June	4.4	3.7	0.9	16.7	0.8	2.5	1.2	1.8	2.1	4.4	1.4	2.5
September	4.2	nya	1.2	15.6	nya	2.7	0.8	–0.9	1.0	3.2	1.1	3.0
December	3.6	nya	nya	nya	nya	nya	nya	–0.6	nya	1.1	1.0	3.2
PERCENTAGE CHANGE (from previous quarter)												
<b>2002</b>												
December	0.8	0.5	–0.2	3.8	–0.1	0.5	0.0	0.5	0.3	0.4	–0.2	0.6
<b>2003</b>												
March	1.3	0.2	–0.9	0.5	–0.5	1.9	0.4	–0.8	1.3	1.1	0.9	0.4
June	–0.3	–0.2	–0.4	0.5	0.5	0.5	–0.2	0.2	–0.3	0.3	–0.2	0.8
September	0.3	–0.2	–0.5	1.3	–0.2	0.2	0.5	–0.7	0.3	0.4	0.3	0.0
December	0.5	0.4	0.8	2.6	–0.2	0.9	0.2	1.3	–0.1	0.0	0.0	0.4
<b>2004</b>												
March	0.9	0.3	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	0.3	0.0	0.1	0.0	1.3	0.3	1.4	–0.1	0.2	0.3	–0.2
December	0.7	0.9	1.0	2.6	0.6	–0.1	–0.1	–0.2	0.3	1.0	0.0	0.6
<b>2005</b>												
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	0.5	0.3	11.1	0.3	0.0	0.6	–0.9	–0.3	0.7	0.1	0.6
<b>2006</b>												
March	1.1	0.5	–0.2	2.1	–0.1	1.2	0.1	–1.8	0.3	0.3	–0.1	0.1
June	1.9	1.6	0.7	0.7	0.8	0.5	–0.1	1.9	1.2	1.8	0.7	1.6
September	0.8	nya	0.4	1.2	nya	0.8	0.2	–0.1	–0.2	0.3	0.4	0.7
December	–0.3	nya	nya	nya	nya	nya	nya	–0.6	nya	–1.3	0.0	0.7

nya not yet available

(a) Series revised, see Changes in this Issue on page 2.

## 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 web site <<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 weighting pattern for the CPI for the weighted average of the eight capital cities is published in *A Guide to the Consumer Price Index, 15th Series* (cat. no. 6440.0). 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) (electronic publication). Both publications are available on the ABS web site <<http://www.abs.gov.au>>.

## EXPLANATORY NOTES *continued*

### 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:
Dec Quarter 2006	155.5 (see table 1)
less Sept Quarter 2006	155.7 (see table 1)
Change in index points	-0.2
Percentage change	$-0.2/155.7 \times 100 = -0.1\%$

**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 1.87 index points to the total All groups index number of 155.5 for December Quarter 2006. 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.

**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 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 13). 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.

## EXPLANATORY NOTES *continued*

### 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 web site <<http://www.abs.gov.au>>. The ABS also issues a daily Release Advice on the web site 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 web site:

- *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)
- *Consumer Price Index Standard Data Report: Capital Cities Index Numbers by Expenditure Class* (cat. no. 6455.0.55.001)
- *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).

### ABS DATA AVAILABLE ON REQUEST

**21** As well as the statistics included in this and related publications, the ABS may have other relevant data available on request. Inquiries should be made to Lee Taylor on (02) 6252 6251 or to the National Information and Referral Service on 1300 135 070.

## APPENDIX CHILD-CARE SERVICES IN THE CPI

### TREATMENT OF CHILD-CARE SERVICES IN THE AUSTRALIAN CONSUMER PRICE INDEX (CPI)

#### *Introduction*

1. The purpose of this article is to describe how the costs of child care services are treated in the Australian Consumer Price Index (CPI).
2. The simplest way of thinking about the CPI is to imagine a basket of good and services comprising all the items bought by Australian households. The composition of the CPI basket is based largely on information on the spending habits of Australian households during 2003-04, obtained from the Household Expenditure Survey (HES) conducted by the ABS. While the HES did not identify the cost of child care as being a large expense overall for the general population (0.6% of the average weekly household expenditure), for families with young children it is a much more significant expense. This article outlines the methodology for pricing child care in the CPI.
3. For the purposes of the CPI, expenditure on child care relates to fees charged by registered or CCB approved child-care centres and creches, baby-sitting charges, and playgroup charges. In practice, fees paid to private and community child-care centres and to family day-care providers are priced in the CPI.

#### *Methodology*

4. There are three alternative conceptual approaches for constructing a CPI. A detailed description of them is set out in Australian Consumer Price Index: Concepts, Sources and Methods 2005 (cat. no. 6461.0). The principal purpose of the Australian CPI is to provide a general measure of price inflation for the household sector as a whole. This is best achieved by constructing what is referred to as an “acquisitions index”. The key attribute of such an index is that it measures the average change between two periods in the prices of out-of-pocket expenses for the consumption goods and services actually acquired by households. Prices measured on this basis include any government taxes and charges but exclude subsidies and rebates that reduce out-of-pocket expenses. In terms of the time of recording, the International Manual on CPIs Consumer Price Index Manual: Theory and Practice (International Labour Organization, 2004), para 3.19 defines the time of acquisition as follows:

“The time at which a good is acquired is the moment at which ownership of the good is transferred to the consumer. In a market situation, it is the moment at which the consumer incurs a liability to pay, either in cash or in kind. The time at which a service is acquired is not so easy to determine precisely as the provision of a service does not involve any exchange of ownership. Instead, it typically leads to some improvement in the condition of the consumer. A service is acquired by the consumer at the same time that the producer provides it and the consumer accepts a liability to pay.”

#### *Measuring the price changes in child care for the CPI*

5. Consistent with the acquisition approach, for child care the CPI seeks to measure child care fees minus any subsidies/rebates that are available to families purchasing child-care services. Currently there are two such subsidies/rebates. They are the Child Care Benefit (CCB) and the Child Care Tax Rebate (CCTR). The key features of each and how they affect the recording of the cost of child care services in the CPI are described below. In summary, benefits available under the CCB are deducted from the actual child care prices (the gross prices) in measuring the cost recorded in the CPI, whereas the rebate available under the CCTR is not taken account of because the rebate is an integral component of the income tax system and income taxes are excluded from the CPI.

#### *The Child-care Benefit (CCB)*

6. CCB is administered by the Department of Families, Community Services and Indigenous Affairs (FaCSIA) and delivered by the Family Assistance Office (FAO). It is a payment to assist families with children in registered and approved child-care, with benefit rates depending on the individual circumstances of each family (number of children in care, number of hours each is in care, family income, and the type of child care). The maximum rate of CCB (currently \$148 per week for one child in 50 hours of CCB-approved care) is available to families with incomes up to a threshold of \$34,310. Once family income exceeds this threshold, the amount of CCB tapers at a varying



## APPENDIX CHILD-CARE SERVICES IN THE CPI *continued*

### *The Child-care Benefit (CCB) continued*

rate(as income increases) down to a minimum rate, currently \$24.85 per child per week for 50 hours of care. All families, regardless of income, are entitled to the minimum rate of CCB. Families with one child in care with an annual income of over \$98,348, and families with two children in care with an annual income of over \$106,628.40 receive the minimum rate. Children using part time care attract a slightly higher rate of CCB per hour than those using full time care.

7. The out-of-pocket costs of child care will vary depending on the actual (gross) price paid by a family and the value of the family's CCB entitlement. It is impossible to collect such details for every family purchasing child-care services, so the gross fees collected from surveying a sample of the child-care centres are adjusted to a net fee using an income-based model. The ABS samples incomes that proportionally reflect the spread of incomes throughout the population of families that receive CCB. FaCSIA apply new CCB rates from 1 July each year and the ABS model is adjusted annually to reflect any changes in the profile of CCB families.

8. The sample incomes are indexed quarterly in line with a four-quarter moving average of the wage price index from Labour Price Index, Australia (cat. no. 6345.0). The aim of using a four-quarter moving average of the wage price index is to reflect the impact of changes in wages on the annual incomes underlying the "basket" of child-care services. Over recent years, the LPI has been rising at a faster rate than the CPI and so family incomes are increasing faster than the income thresholds used in calculating CCB. As a result, the subsidy paid under the CCB becomes a smaller proportion of the overall costs of child care. In other words, the out-of-pocket expenses that form the basis of the (net) prices recorded in the CPI rise more rapidly than the gross prices charged by the child-care centres etc.

9. Child care in the CPI is stratified by:

- type of care (private, community or family day care)
- length of care (full-time or part-time)
- number of children
- income level
- capital city.

### *The Child Care Tax Rebate (CCTR)*

10. In 2004 the Federal Government announced that it would introduce a 30% Child Care Tax Rebate (CCTR) for out-of-pocket child-care costs from 1 July 2004. The CCTR means that working, studying or training parents with children in approved child care are entitled to a tax offset of 30% of the difference between the child-care fees incurred and the CCB in the tax return of the following year that the expenses were incurred. The tax offset can only reduce a tax liability to nil (any excess cannot be refunded). The CCTR was able to be claimed for the first time in the 2005–06 income year tax returns.

11. The Australian CPI measures changes in the transaction prices of goods and services acquired by private households as consumers (i.e. excluding goods and services acquired for business purposes). The transaction prices that are relevant for the CPI are those that are faced by the purchasers of goods and services at the time they acquire the good or service. These prices include any taxes directly payable in respect of those goods and services (e.g. the GST). Subsidies that are directly tied to the acquisition of the good or service are deducted in determining the transaction price. Income taxes are excluded from the CPI.

12. In assessing whether or not to include the effect of the CCTR on child-care prices included in the CPI, the ABS examined whether it would be possible to estimate the effect of the CCTR on prices paid for child care at the time the services are acquired. The CCTR legislation states that the CCTR is to be paid when families complete their 2005-06 tax returns for out-of-pocket expenses for child care incurred from 1 July 2004. Therefore the amount of the rebate receivable by an individual household for child care

### *The Child Care Tax Rebate (CCTR) continued*

costs incurred in 2004-05 is able to be ascertained only after determining the household's tax liability at the conclusion of the 2005-06 financial year. Families with no tax liability are ineligible for the tax rebate. It is not possible to reliably determine the amount of the rebate applying at the time the child-care service is acquired and so it is not possible to derive a transaction price that reflects the impact of the rebate.

13. The following table (taken from the ABS publication Australian Consumer Price Index: Concepts, Sources and Methods (cat. no. 6461.0)) sets out the criteria that are considered by the ABS when determining whether specific benefits, subsidies and rebates should be deducted from the prices collected in calculating the CPI. 'Taxpayer', where noted in the table below, refers to households that are paying income tax.

Table A: Criteria for deducting subsidies and rebates (referred to below as 'benefits') to determine prices used in the CPI

Include if:

- 1) The benefit is tied to the acquisition of a specific good or service (or the right to acquire a specific good or service) AND
- 2) The benefit is not an integral component of the income tax system and is available to non-taxpayers as well as taxpayers. In practice, this generally means the benefit provided to taxpayers by way of a tax rebate is also available to non-taxpayers via cash or other form of benefit.

14. These two criteria both have to be met for a rebate/subsidy to be deducted from an observed price when compiling the CPI. ABS has considered the legislation regarding the CCTR in the light of these two criteria. The CCTR legislation falls under a "Tax Laws Amendment Bill", it is a non-refundable tax offset and it is available only to taxpayers. As a result, the ABS has concluded that the rebate does not satisfy the second of the above criteria; in effect, it is an integral part of the tax system and so is outside the scope of the CPI.

## APPENDIX CHILD-CARE SERVICES IN THE CPI *continued*

*Example of how net child-care rates are calculated in the CPI*

15. The following examples illustrate how the CPI measures the changes in a family's out-of-pocket expenses when either the child-care fees increase and/or the family receives a pay rise. The family has a combined annual income of \$65,000. The maximum child-care benefit that can be claimed is \$148 per week for one child in full-time care. Families earning \$65,000 per year are entitled to 60.12% of the maximum child-care benefit.

### EXAMPLE 1 , The family receives a 4% pay rise:

	Period 1	Period 2
Combined household income (\$65,000 per annum (% change)	\$65,000 per annum	\$67,600 per annum 4.0
Gross child-care fee (\$240.00 per week (% change)	\$240.00 per week	\$240.00 per week 0.0
Eligible child-care benefit (\$88.98 per week)	\$88.98 per week	\$83.98 per week
Net child-care fee (\$151.02 per week (% change)	\$151.02 per week	\$156.02 per week 3.3

### EXAMPLE 2, The child-care fees increase by \$10 per week:

	Period 1	Period 2
Combined household income (\$65,000 per annum (% change)	\$65,000 per annum	\$65,000 per annum 0.0
Gross child-care fee (\$240.00 per week (% change)	\$240.00 per week	\$250.00 per week 4.2
Eligible child-care benefit (\$88.98 per week)	\$88.98 per week	\$88.98 per week
Net child-care fee (\$151.02 per week (% change)	\$151.02 per week	\$161.02 per week 6.6

### EXAMPLE 3, The family receives a 4% pay rise and the child-care fees increase by \$10 per week:

	Period 1	Period 2
Combined household income (\$65,000 per annum (% change)	\$65,000 per annum	\$67,600 per annum 4.0
Gross child-care fee (\$240.00 per week (% change)	\$240.00 per week	\$250.00 per week 4.2
Eligible child-care benefit (\$88.98 per week)	\$88.98 per week	\$83.98 per week
Net child-care fee (\$151.02 per week (% change)	\$151.02 per week	\$166.02 per week 9.9

*Gross versus net prices*

16. The following table compares the price indexes for gross and net child-care fees over the period from September quarter 2005 to December quarter 2006. It should be noted that the gross index is only available from the September quarter 2005 and has a different reference base from the CPI net child-care index.

## APPENDIX CHILD-CARE SERVICES IN THE CPI *continued*

### NET CHILD CARE

### GROSS CHILD CARE (not included in CPI)

	Index Numbers(a)	Percentage Change from previous quarter	Percentage Change from corresponding quarter of previous year	Index Numbers(b)	Percentage Change from previous quarter	Percentage Change from corresponding quarter of previous year
Sep 2003	169.9	7.3	12.4	na	na	na
Dec 2003	169.9	0.0	10.5	na	na	na
Mar 2004	177.4	4.4	12.7	na	na	na
Jun 2004	179.2	1.0	13.1	na	na	na
Sep 2004	187.4	4.6	10.3	na	na	na
Dec 2004	192.2	2.6	13.1	na	na	na
Mar 2005	198.7	3.4	12.0	na	na	na
Jun 2005	201.5	1.4	12.4	100.0	na	na
Sep 2005	204.4	1.4	9.1	103.2	3.2	na
Dec 2005	211.8	3.6	10.2	104.3	1.0	na
Mar 2006	222.5	5.1	12.0	106.3	1.9	na
Jun 2006	226.5	1.8	12.4	106.8	0.5	6.8
Sep 2006	233.9	3.3	14.4	110.8	3.7	7.3
Dec 2006	238.5	2.0	12.6	111.5	0.6	6.9

na not available

(b) Base June quarter 2005 = 100.0

(a) Base 1989-90 = 100.0

*Gross versus net prices  
continued*

17. The quarterly gross fee index will be made available annually on request after the release of the December quarter CPI.

*Further Information*

18. For further information, please call Ms Merry Branson on (02) 6252 6006 or email [merry.branson@abs.gov.au](mailto:merry.branson@abs.gov.au).







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