

Media Release

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CPI BEAST BEING TAMED

ABS data shows that the Consumer Price Index (CPI) rose 0.8% in the June quarter of 2023 and 6.0% over the twelve months.

“This is down on the annual figure for the December quarter of 2022 and March 2023 of 7.8% and 7.0 respectively, and is the lowest annual increase since the March quarter of 2022. In addition, the annual figure for the monthly CPI was down to 5.5% and confirms a downward trend in the rate of increase”, said REIA President, Hayden Groves.

“The most significant quarterly price rises were rents, up 2.5%, international holiday travel and accommodation, up 6.2%, other financial services, up 2.5% and new dwelling purchase by owner-occupiers, up 1.0%.

“Rents rose 6.7 per cent annually - the largest annual rise since 2009, reflecting low supply across the country.

“The important analytical series, trimmed mean and weighted mean, which exclude large price rises and falls, were 0.9% for the quarter and 5.9% for the year and 1.0% for the quarter and 5.5%, respectively. These are the lowest monthly increases since late 2021.

“With the CPI having peaked late last year as was forecast by the RBA and with the current level below RBA’s May forecast of 6.3% for the year to June it is time not only to continue to keep a pause on further interest rate rises but to rethink the economic orthodoxy on the level of unemployment required for inflation to be neither rising nor falling – the non-accelerating inflation rate of unemployment (NAIRU),” concluded Mr Groves.

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