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PRESS RELEASE PRESS RELEASE

EMBARGO: Not for publication before 11am Monday 2 May, 2016
Melbourne Institute Monthly Inflation Gauge

April 2016

The Melbourne Institute Monthly Inflation Gauge increased by 0.1 per cent in April, after a flat result in March. In the twelve months to April, the Inflation Gauge increased by 1.5 per cent after a rise of 1.7 per cent for the twelve months to March.

Contributing to the overall change in April were price rises for medical and hospital services (+3.5 per cent), automotive fuel (+3.7 per cent) and fruit and vegetables (+3.4 per cent). These were primarily offset by falls in holiday travel and accommodation (-4.3 per cent), insurance and financial services (-0.4 per cent) and household furniture & equipment (-0.2 per cent).

The trimmed mean measure of the Inflation Gauge rose by 0.2 per cent in April, after remaining unchanged in March.

According to Dr. Sam Tsiaplias, Senior Research Fellow at the Melbourne Institute, “this month’s result was driven by an increase in health insurance premiums and, to a lesser extent, price rises for fuel and fruit and vegetables. Notwithstanding a sizeable fall in the price of holiday travel, inflation rose by 0.1 per cent overall.”

“The March quarter ABS CPI was driven by significant falls in the fuel price, particularly in February. The Monthly Inflation Gauge also fell by 0.2 per cent in February. April’s data (which showed an increase in both the headline and trimmed mean measures) provides an initial indication that prices will increase in the second quarter” added Dr. Tsiaplias.

The May 2016 Melbourne Institute Inflation Gauge will be released at 11am AEDT on Monday 6 June 2016.

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