

CPI August 2026

The CPI rose by an unadjusted 0.4% in August, lifting the annual rate of consumer price inflation by 0.5ppts to 4.0%.

This was slightly below the market consensus of 0.5% MoM and 4.1% YoY.

%	MoM	YoY
Headline CPI	0.4	4.0
Headline CPI (Seasonally Adjusted)	0.7	3.9
Trimmed Mean CPI (Seasonally Adjusted)	0.2	3.6
Market Sector Ex 'Volatile Items'	-0.1	3.2
Goods	1.0	4.2
Services	-0.2	3.7
Tradables	1.3	2.9
Non-tradables	0.0	4.5

Data is original (not seasonally adjusted) unless stated otherwise.

In seasonally adjusted terms, the CPI rose by 0.7% in August and was up 3.9% YoY.

The trimmed mean CPI rose by a seasonally adjusted 0.2% in August, while annual trimmed mean inflation remained at 3.6%.

Groups

Transport was unsurprisingly responsible for almost all of the increase in annual CPI inflation in August, with its contribution rising by 0.5ppts to 0.6ppts. Overall, transport prices increased by 5.6% YoY.

The faster growth in transport costs reflected an acceleration in automotive fuel price inflation to 13.5% YoY following the end of the fuel excise cut and a rise in global oil prices.

Housing made the largest contribution to annual inflation (5.7%; +1.2ppts), partly reflecting an acceleration in electricity price inflation to 13.2% amid base effects associated with energy bill relief measures.

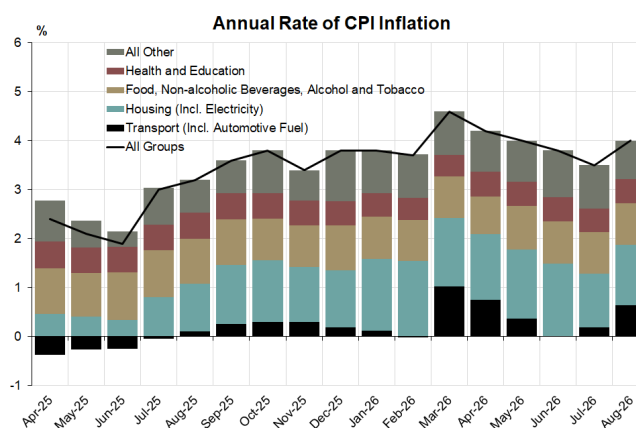
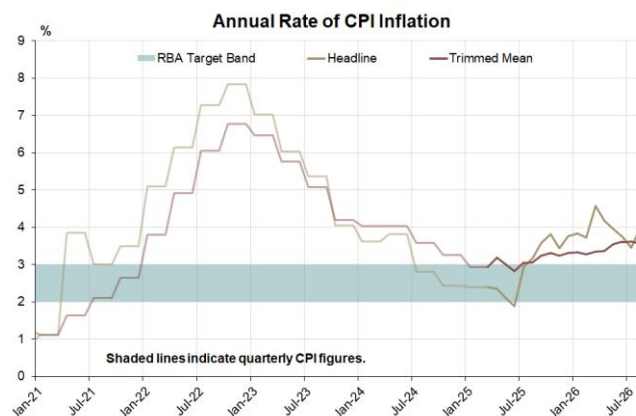
Capital Cities

Annual inflation increased across all capital cities in August, ranging from 3.5% in Melbourne to 4.8% in Hobart.

Sydney recorded the strongest increase in annual inflation (+0.8ppts to 3.9%), while Melbourne and Hobart recorded the smallest increases, at 0.3ppts.

The Perth CPI rose by 0.6% in August, while the annual inflation rate increased by 0.4ppts to 4.3%. As with the national result, automotive fuel accounted for much of the increase, rising by 15.6% YoY.

Capital Cities (% , Original)	MoM	YoY
Perth	0.6	4.3
Sydney	0.4	3.9
Melbourne	0.4	3.5
Brisbane	0.4	4.1
Adelaide	0.5	4.7
Hobart	0.5	4.8



Comment

The August inflation report was slightly less concerning than feared, with headline CPI figures modestly below expectations.

The report confirmed that headline inflation increased due to higher petrol prices following the end of the fuel excise cut and renewed escalation in the Middle East war. However, the rise was slightly smaller than feared.

The end of household energy bill relief measures was another, albeit marginal, contributor to the rise in headline inflation in August.

Meanwhile, annual trimmed mean inflation was unchanged, as expected. However, at 3.6%, it remained well above the RBA's 2–3% target range. Demand pressures persist, but at least they are not increasing.

Overall, the August inflation figures are unlikely to alter the RBA's assessment of the factors driving inflation.

The downside surprise in the headline inflation figures for August was sufficient to further reduce monetary policy tightening expectations. The probability of a November rate hike fell from 45% to around 20%, with a hike not fully priced in until May 2027.

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