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Media Release Embargoed until 11:00am AEST, Thursday 15 June 2017

Melbourne Institute Survey of Consumer Inflationary Expectations

Inflationary expectations fell in June

The expected inflation rate (30-per-cent trimmed mean measure), reported in the Melbourne Institute Survey of Consumer Inflationary Expectations, fell by 0.4 percentage points to 3.6 per cent in June from 4.0 per cent in May.

In June, the weighted proportion of respondents (excluding the 'don't know' category) expecting the inflation rate to fall within the 0-5 per cent range rose by 2.0 percentage points to 70.0 per cent. The weighted mean of responses within this range fell by 0.1 percentage points to 2.3 per cent.

This month's survey also includes quarterly information on past and future pay growth in Australia. Total pay growth over the 12 months to June 2017 was unchanged relative to March 2017 at 1.3 per cent (compared to 1.2 per cent over the 12 months to December 2016). In June, 35.0 per cent of respondents reported a rise in total pay while 12.0 per cent reported a fall. Pay expectations in the coming 12 months fell slightly to 1.7 per cent in June from 1.9 per cent in the previous quarter. Overall, with the exception of the September 2016 quarter, actual wage growth has been relatively weak over the past year.

The July 2017 Survey of Consumer Inflationary Expectations will be released at 11am AEST, Thursday, 13 July 2017.

ENDS

The Melbourne Institute Survey of Consumer Inflationary Expectations measures are designed to represent the average householder's expected rate of consumer price changes over the coming 12 months. Further information can be found in the attached report or by visiting: www.melbourneinstitute.com/miaesr/publications/indicators/cie.html

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