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Melbourne Institute Survey of Consumer Inflationary Expectations

Inflationary expectations rose in September

The expected inflation rate (30-per-cent trimmed mean measure), reported in the Melbourne Institute Survey of Consumer Inflationary Expectations, rose by 0.4 percentage points to 3.5 per cent in September from 3.1 per cent in August.

In September, 78.1 per cent of respondents (excluding the 'don't knows') expected the inflation rate to fall within the 0-5 per cent range, down from 83.2 per cent in August. The weighted mean of responses within the 0-5 per cent range fell slightly to 2.5 per cent in September from 2.6 per cent in August.

This month's survey also includes quarterly information on past and future pay growth in Australia. Actual pay growth over the 12 months to September 2014 rose slightly to 2.5 per cent from 2.4 percent in the 12 months to June 2014. Expected pay growth in the coming 12 months remains modest at 1.7 per cent.

According to Dr. Viet Nguyen, a Research Fellow at the Melbourne Institute, "The flattening expected pay growth over the last three quarters reflects consumers' expectations of moderate economic activity in the coming months."

The October 2014 Survey of Consumer Inflationary Expectations will be released at 11am AEST, Thursday 16 October 2014.

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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 by visiting: www.melbourneinstitute.com/miaesr/publications/indicators/cie.html

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