



Media Release Embargoed until 11:00am AEST, Thursday 14 December 2017

Melbourne Institute Survey of Consumer Inflationary Expectations

Inflationary expectations unchanged in December

The expected inflation rate (30-per-cent trimmed mean measure), reported in the Melbourne Institute Survey of Consumer Inflationary Expectations, was unchanged in December (relative to November) at 3.7 per cent.

In December, the weighted proportion of respondents (excluding the 'don't know' category) expecting the inflation rate to fall within the 0-5 per cent range decreased by 1.4 percentage points to 67.7 per cent. The weighted mean of responses within this range fell from 2.5 per cent last month to 2.2 per cent in December.

This month's survey also includes quarterly information on past and future pay growth in Australia. Total pay growth over the 12 months to December 2017 increased slightly to 1.5 per cent (compared to 1.4 per cent in the September quarter). In December, 41.7 per cent of respondents reported a rise in total pay while 8.9 per cent reported a fall. Pay expectations in the coming 12 months rose to 2.4 per cent from 1.7 per cent in the previous quarter. Overall, the proportion of respondents reporting a rise in actual pay has increased in the September and December quarters, although reported growth is still below inflation.

The January 2018 Survey of Consumer Inflationary Expectations will be released at 11am AEDT, Thursday, 18 January 2018.

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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 in the attached report or by visiting: www.melbourneinstitute.com/miaesr/publications/indicators/cie.html

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