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Melbourne Institute Survey of Consumer Inflationary Expectations

Inflationary expectations increased slightly in March

The expected inflation rate (30-per-cent trimmed mean measure), reported in the Melbourne Institute Survey of Consumer Inflationary Expectations, increased by 0.1 percentage points in March to 3.7 per cent (from 3.6 per cent in February).

In March, 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 0.9 percentage points to 69.1 per cent. The weighted mean of responses within this range was unchanged relative to last month at 2.4 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 March 2018 increased to 2.0 per cent (compared to 1.5 per cent for the December quarter). In March, 50.5 per cent of respondents reported a rise in total pay while 12.1 per cent reported a fall. Pay growth expectations in the coming 12 months fell to 1.8 per cent from 2.4 per cent in the previous quarter. Overall, the proportion of respondents reporting a pay rise has increased significantly relative to the same period last year, although respondents appear cautious about future wage growth.

The April 2018 Survey of Consumer Inflationary Expectations will be released at 11am AEST, Thursday, 12 April 2018.

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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