



**Media Release** Embargoed until 11:00am AEDT, Thursday 13 December 2018

Melbourne Institute Survey of Consumer Inflationary Expectations

## Inflationary expectations higher in December

The expected inflation rate (30-per-cent trimmed mean measure), reported in the Melbourne Institute Survey of Consumer Inflationary Expectations, increased by 0.4 percentage points in December to 4.0 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 3.4 percentage points to 64.4 per cent. The weighted mean of responses within this range was unchanged at 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 December 2018 increased to 2.6 per cent (compared to 2.3 per cent over the 12 months to September 2018). In December, 48.9 per cent of respondents reported a rise in total pay while 10.9 per cent reported a fall. Pay expectations in the coming 12 months rose to 1.9 per cent, from 1.8 per cent in September. Overall, actual wage conditions continue to improve, although pay growth expectations remain relatively low.

The January 2019 Survey of Consumer Inflationary Expectations will be released at 11am AEDT, Thursday, 17 January 2019.

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](http://www.melbourneinstitute.com/miaesr/publications/indicators/cie.html)*

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