



**Media Release** Embargoed until 11:00am AEDT, Thursday 12 December 2019

Melbourne Institute Survey of Consumer Inflationary and Wage Expectations

## Inflation expectations unchanged in December. Small increase in expected pay growth also reported.

The expected inflation rate (30-per-cent trimmed mean measure), reported in the Melbourne Institute Survey of Consumer Inflationary and Wage Expectations, was unchanged in December at 4.0 per cent.

In December, the proportion of respondents expecting an increase in prices rose by 0.7 percentage points to 63.4 per cent. The proportion of respondents anticipating no price change rose by 0.2 percentage points to 19.5 per cent.

In terms of total pay growth, respondents reported a 0.5 percentage point fall in total pay over the past 12 months, from 1.9 per cent last month to 1.4 per cent this month. In December, 45.4 per cent of respondents reported a rise in total pay (down from 48.3 per cent last month). Looking forward, total pay is expected to grow by 2.2 per cent in the next 12 months (up from expected 1.8 per cent last month). However, given the inherent volatility in wage expectations, the data continue to suggest weak pay growth rate for the Wage Price Index (WPI) in the coming year.

The January 2020 Survey of Consumer Inflationary Expectations will be released at 11am AEDT, Thursday, 23 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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