
Media Release

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New polling reveals Australians' perceptions about inflation future

The latest McKinnon Poll from the Susan McKinnon Foundation, conducted by JWS Research, surveyed 3000 voters (national sample, demographically-weighted) on their attitudes to inflation. The survey was conducted in late July 2024.

More than half (52%) of Australians believe that inflation will still be above the RBA's 2-3% target band in 12 months' time, with nearly a quarter (23%) believing it will be "a lot above" the RBA's band.

Expectations that inflation will remain above target are highest among those who think inflation is currently "a lot above" 2-3% (81%), are aged 55-74 (59%), those on the highest incomes (\$160k+) (58%) and those in rural and regional Australia (58%)

In contrast, only 30% of Australians think that inflation will be within or below the target band.

Inflation expectations have lowered from when the survey was last conducted in August 2023, when 61% of Australians thought inflation would be above 2-3% in 12 months time.

The perception of the current rate of inflation has also lowered, with 70% of the population thinking that inflation was above 2-3% in August 2023, down to 66% now. The largest decline was in those thinking that inflation was "a lot" above 2-3%, which was 47% a year ago, compared to 35% now.

The poll also asked the public about what was most important for the RBA's dual mandate of price stability and full employment.

It found 46% of Australians prioritise keeping inflation low, while just 12% believe keeping unemployment low should be the priority.

Keeping inflation low was most important among LNP voters (51%), while Greens voters (17%) were more likely to prioritise unemployment.

Only 9% of those aged 25-39 prioritised unemployment over keeping inflation low, while 49% prioritised keeping inflation low. In contrast, those aged 75+ were more likely to prioritise keeping unemployment low (16%), with 35% of this age group prioritising low inflation.

Quotes attributable to Susan McKinnon Foundation McKinnon Poll Lead Matt Crocker:



“Understanding public perceptions and expectations around inflation is crucial to monetary policy and economic management.

“Inflation expectations feed into wage expectations, business forecasts and life decisions across the country.

“This research shows us that after a couple of very rough years with inflation, most Australians don’t expect we’re going to be back within the target band by mid-2025.

“While these numbers have improved in the past year, it still represents a majority perception that inflation is going to stay stubbornly above the target band. We know that perception, especially on economic issues, can be a powerful force.”

“For Australians right now, taming inflation is a much bigger priority than unemployment.

“This shows the success of the Australian economy in achieving sustained jobs growth and low unemployment.

“There’s a pretty strong signal here that the public is more concerned about rising prices than losing their job.

“While that may change over time, at the moment, the public focus is on inflation and the cost of living.”

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About the McKinnon Poll

The Susan McKinnon Foundation has been running the McKinnon Poll since 2021. Over this time, eight polls have been conducted into different significant policy issues. JWS Research conducts the McKinnon Poll on behalf of the Foundation. This is the second time the Poll has asked questions on inflation expectations, following initial questions in August 2023.

The McKinnon Poll combines qualitative in-depth expert interviews and focus group discussions, as well as a quantitative online national survey of 3,000 Australian adults. Through this rigorous methodology, the program aims to encourage better policymaking by providing a richer and more in-depth understanding of public opinion as an input into the policymaking process.

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