

Senate Economics Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Additional Estimates

2016 - 2017

Division/Agency: Macroeconomic Modelling and Policy Division

Question No: 283

Topic: Historical increase in inflation and M3 money supply

Reference: Hansard page 22 (01 March 2017)

Senator: Roberts, Malcolm

Question:

Senator ROBERTS: [...] how much has CPI inflation increased in Australia since publication from September 1948 to December 2016?

Mr Ray: I think we would have to take that on notice.

Senator ROBERTS: That is fine. The second question is: how much has M3 money supply increased in Australia since publication from July 1959 to January 2017?

Mr Ray: I think it is the same answer.

Answer:

- Australia's Consumer Price Index (CPI) has increased by around 2,873 per cent or an average of 5.1 per cent per annum over the period from September 1948 to December 2016.
- M3 money supply has increased by around 29,417 per cent or an average of 10.4 per cent per annum over the period from July 1959 to January 2017.¹

¹ Sources: ABS, *Consumer Price Inflation*, cat. no. 6401.0 and RBA's Financial Aggregates, 2017.