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/ Annual inflation almost halved under Labor

24 April 2024

Annual inflation almost halved under Labor

New data shows inflation has now almost halved since the Albanese Labor Government came to office.

It's still too high, people are still under the pump, but we're making progress.

The Budget next month will focus on easing cost of living pressures, not adding to them.

Today's figures show the Consumer Price Index moderated to 3.6 per cent in the year to the March quarter, down from 4.1 per cent in the previous quarter.

Annual inflation is now less than half its peak and much lower than the 6.1 per cent we inherited at the time of the election.

It is encouraging to see inflation continue to ease in our economy, particularly when it is ticking up in other parts of the world and at a time of heightened global uncertainty, made worse by the recent escalation of the conflict in the Middle East.

The impact of these global factors and the shifting balance of risks from inflation to growth are key considerations as we finalise the Budget over the coming weeks.

The monthly inflation indicator ticked up slightly to 3.5 per cent in the 12 months to March 2024, from 3.4 per cent in February 2024.

Monthly movements in the indicator can be volatile, it remains well below its peak and is just over half the 6.1 per cent at the time of the election.

Trimmed mean inflation, which strips out more volatile components, moderated to 4.0 per cent in the year to the March quarter 2024. Trimmed mean inflation is at its lowest level in two years and much lower than the 5.0 per cent at the time of the election.

Headline inflation increased by 1.0 per cent in the March quarter 2024, half of the quarterly peak recorded in the March quarter 2022, before the election.

ABS analysis today said that the Government's cost-of-living policies are directly taking pressure off inflation.

Our policies took ½ of a percentage point off inflation in the year to the March quarter 2024.

In the year to the March quarter 2024, electricity prices rose 2.0 per cent, and would have risen 14.9 per cent without our energy plan.

In the year to the March quarter 2024, rents rose 7.8 per cent, and would have risen 9.5 per cent without the largest increase to rent assistance in 30 years.

In the year to the March quarter 2024, childcare prices fell 5.6 per cent, and would have risen 15 per cent without our policy.

In the May Budget, the Albanese Government will seek to balance the ongoing fight against inflation with the need to gear our economy for growth.

The centrepiece of the cost-of-living help in the Budget will be a tax cut for every taxpayer. We will consider additional help on top of that if it's affordable, if it's responsible and if it helps take some of the edge off inflation in our economy.

Another important way we are taking pressure off inflation is by aiming to deliver a second surplus this year. This responsible fiscal management allows us to pay down debt and make room for other priorities in the Budget like laying the foundations for growth through a Future Made in Australia.

The Albanese Government's third budget will lay out a strategy that is fit for the times and responds to the changing risks at home and abroad.

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