



Australian Government

Department of Infrastructure,
Transport, Regional Development,
Communications and the Arts



Department of
Primary Industries and
Regional Development

Indian Ocean Territories price index 2023

A report provided by the Western Australian Department of Primary Industries and Regional Development, for the Australian Government Department of Infrastructure, Transport, Regional Development, Communications and the Arts.



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Cover image: Cocos (Keeling) Islands – West Island jetty

The Australian Government, through the Department of Infrastructure, Transport, Regional Development, Communications and the Arts, provides funding to the Department of Primary Industries and Regional Development to provide services to the Indian Ocean Territories.

Introduction

The Department of Infrastructure, Transport, Regional Development, Communications and the Arts has responsibility for the Indian Ocean Territories (IOT), with many services provided through service delivery arrangements with the Western Australian Government. In 2011, the Australian Government approached the then Department of Regional Development and Lands, to develop and conduct a cost of living index for Christmas and Cocos (Keeling) Islands, known collectively as the IOT. The result of this project was the publication in October 2012 of the first IOT Price Index. A second index was published in 2020 (summarising 2019 prices) and a third in 2023 (summarising 2021 prices).

This publication is the result of the 2023 IOT price collection process.

Christmas Island (CI)

CI is situated in the Indian Ocean, 380 km south of Java and 2650 km north-west of Perth. Many unique species of plants and animals are found on CI, and two thirds of the island has been declared a national park. CI covers just 135 km² and has a

population of 1692. The ethnic composition is approximately 22% Chinese, 17% Australian, 16% Malay and 12% English.¹ The primary economic activities of the island are government services, phosphate mining and a small tourism industry.

The Cocos (Keeling) Islands (CKI)

CKI consist of two flat, low-lying coral atolls divided into 27 coral islands with an area of 14.2 km². This remote island community is located 985 km southwest of CI and 2950 km north-west of Perth. The CKI population of approximately 590 people reside on the two main islands, Cocos (Keeling) Islands (CKI – Home Island) and Cocos (Keeling) Islands (CKI – West Island).² The two islands are very different demographically, with the 448 CKI – Home Island residents principally speaking Cocos Malay and following the Islamic faith. CKI – West Island is the administrative centre for the Islands and, as a result, consists predominantly of government officers of ethnic European descent, and has the balance of CKI residents.

¹ <https://abs.gov.au/census/find-census-data/quickstats/2021/LGA51710>

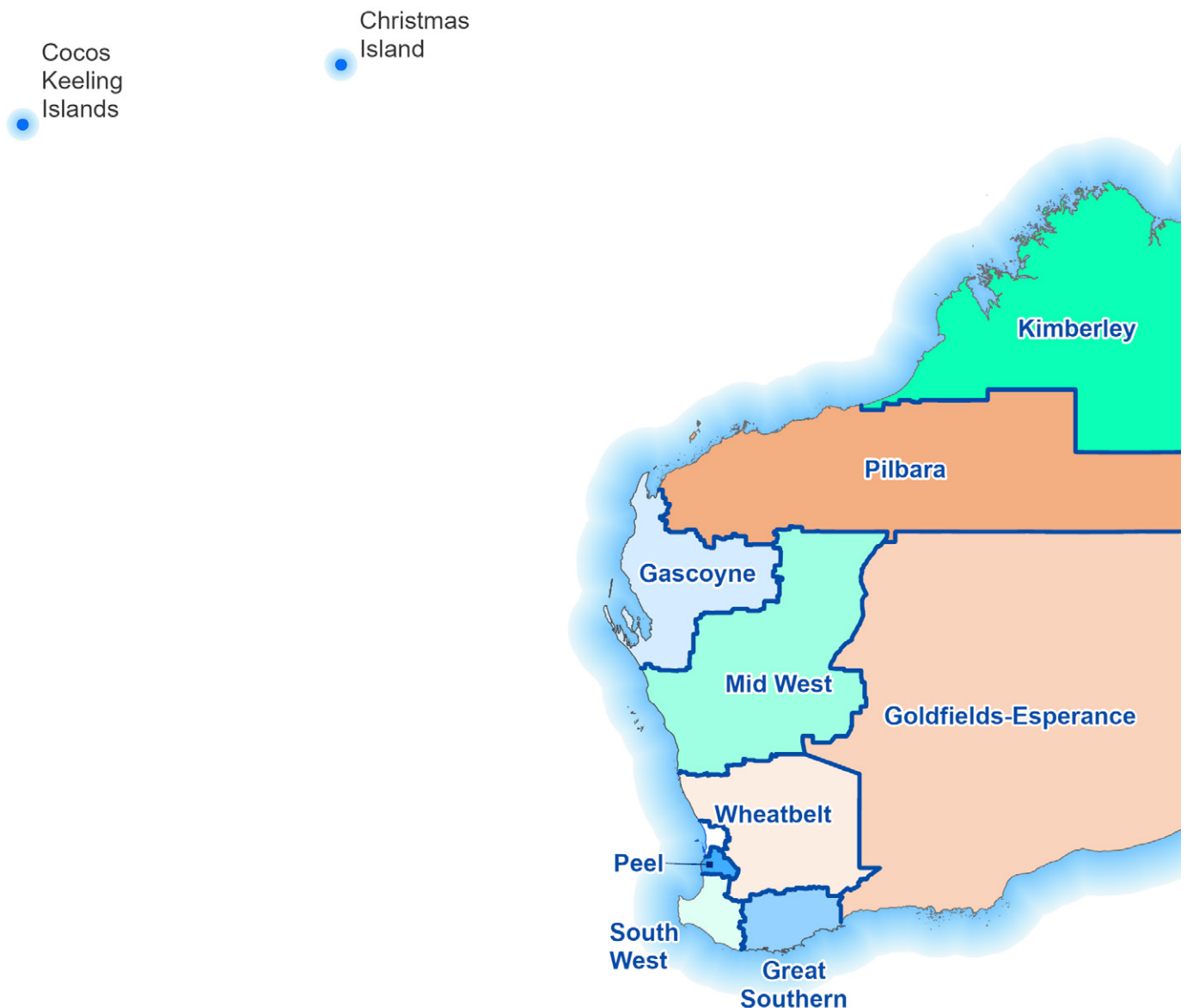
² <https://abs.gov.au/census/find-census-data/quickstats/2021/90102>

IOT price index

A price index (PI) compares the cost of living between different locations. In this instance, the cost of buying a group of goods and services on IOT islands has been compared with the price of the same goods and services in the Perth metropolitan area. The Perth index is set at 100, with island prices above 100 indicating a higher cost than Perth prices, and prices below 100 indicating the

items are cheaper than in Perth. A similar methodology was used in calculating the Western Australian Regional Price Index (RPI).

It is important to note that indexes from different years cannot be directly compared. Each index is a point in time comparison, rather than a time series comparison.



IOT price index 2023

	CI
2023 CI PI	127.5
Food	149.4
Cigarettes, alcohol and tobacco	82.5
Clothing	215.2
Housing	115.5
Household equipment and operation	136.0
Health and personal care	104.1
Transport	144.8
Education and recreation	101.2

	CKI – West Island	CKI – Home Island	CKI Index
2023 CKI overall PI	130.6	133.6	132.9
Food	160.1	164.4	163.4
Cigarettes, alcohol and tobacco	83.5	N/A*	83.5*
Clothing	170.1	197.0	190.3
Housing	100.9	100.9	100.9
Household equipment and operation	143.7	141.0	141.6
Health and personal care	97.8	99.0	98.7
Transport	127.9	127.9	127.9
Education and recreation	161.3	161.4	161.4

*The Cigarettes, alcohol and tobacco CKI Index figure has been calculated based on West Island only, not as a proportion of each island based on population, due to this category being excluded from Home Island (as it is an alcohol-free island).

Basket of goods and services

The basket of goods and services is made up of approximately 185 items, from the following eight categories:

Food: dairy products, cereal products, meat and seafood, fruit and vegetables, drinks, snacks and confectionery, other foods, restaurant and takeaway meals.

Cigarettes, alcohol and tobacco: cigarettes/tobacco, beer, wine and spirits.

Clothing: male and female clothing (adult and children).



Housing: rates and local government charges, goods and services for house maintenance and repairs, private rents, utilities expenditure, financial and insurance services.

Household equipment and operation:

bedding furniture and linen, major household appliances, small electronic appliances, kitchen and household utensils and tools, household cleaning agents, toiletries and personal products, hairdressing services and postal, telephone and internet services.

Health and personal care: hospital and medical insurance, optical, dental and pharmaceuticals including prescription and over-the-counter drugs.

Transport: purchase price of an automobile, fuel, tyres, basic maintenance supplies and service costs, personal and vehicle license fees.

Education and recreation: electronic appliances, sporting equipment, activities and participation, toys, games and hobbies, veterinary services and primary and secondary education costs.

The 2023 RPI process used information available via the internet. If a specified item was unavailable and a different product specified, that exact item was then priced by major supermarkets across the Perth metropolitan area. This means that while the nominal number of goods and services is less compared to previous years' baskets, the accuracy of the index is improved as a result of being able to price identical items across the eight categories.

Price collection and community consultation

Prices for the basket of goods and services were collected from retail shops and services in the first half of 2023. At the same time, Department of Primary Industries and Regional Development

(DPIRD) also conducted the 2023 RPI for Western Australia, meaning that the IOT price collections were conducted concurrently with the other RPI price collections.



Commodity weights

Commodity weights were used to reflect the relative importance of each basket item in the average household budget. The decision to purchase an item depends on both the price of that item and its importance to the consumer.

For example, fresh food including meat, fruit and vegetables are diet staples that are given a high priority in the family budget regardless of price. This is reflected in the calculation of the indices by applying

a higher weighting for these products.

The weights assist in determining the degree that the individual items in the basket of goods and services influence the calculation of the index, which is based on weightings used by the Australian Bureau of Statistics for its Consumer Price Index.

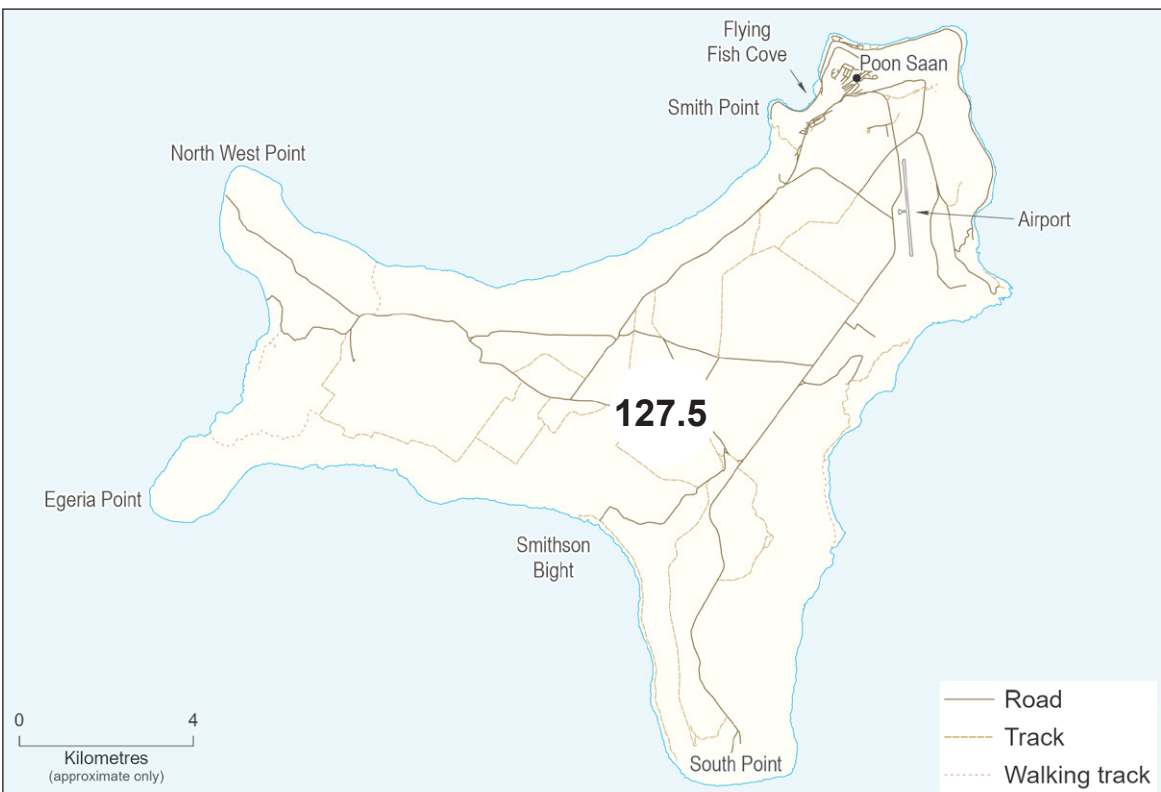
Analysis of index for each Island

Christmas Island

The index for CI indicates that the overall cost of purchasing the basket of goods and services in 2023 was 27.5% higher than Perth. The most expensive group relative to Perth was clothing, with cigarettes, alcohol and tobacco cheaper than Perth.

	CI 2021	CI 2023
CI overall PI	128.6	127.5
Food	136.9	149.4
Cigarettes, alcohol and tobacco	77.9	82.5
Clothing	146.1	215.2
Housing	94.2	115.5
Household equipment and operation	158.2	136.0
Health and personal care	143.4	104.1
Transport	160.7	144.8
Education and recreation	107.1	101.2

Map 1: Christmas Island price index 2023



Cocos (Keeling) Islands – Home Island

The index for CKI – Home Island indicates that the overall cost of purchasing the basket of goods and services in 2023 was 33.6% higher than Perth. All of the groups were more expensive than Perth with the exception of health and personal care. Clothing and food were the most expensive groups relative to Perth. The Cigarettes, alcohol and tobacco category was excluded from Home Island as it is an alcohol-free island.

	CKI – Home Island 2021	CKI – Home Island 2023
CKI - Home Island overall PI	143.0	133.6
Food	243.0	164.4
Cigarettes, alcohol and tobacco	17.8	N/A*
Clothing	230.0	197.0
Housing	83.5	100.9
Household equipment and operation	127.2	141.0
Health and personal care	122.2	99.0
Transport	100.0	127.9
Education and recreation	100.0	161.4

Map 2: Cocos (Keeling) Islands – Home Island price index 2023

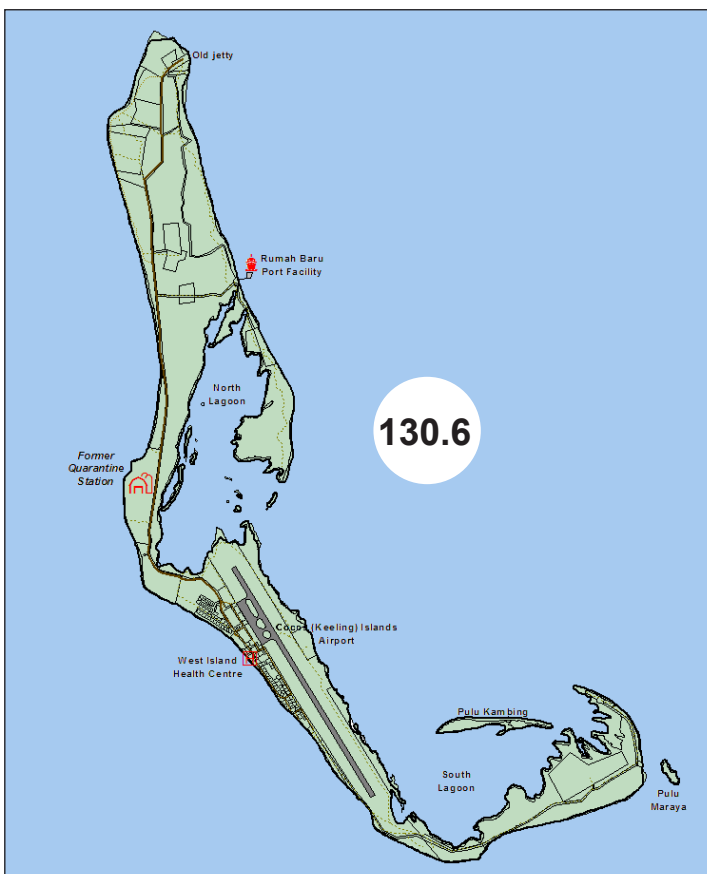


Cocos (Keeling) Islands – West Island

The index for CKI – West Island indicates that the overall cost of purchasing the basket of goods and services in 2023 was 30.6% higher than Perth. All of the groups were more expensive than Perth with the exception of cigarettes, alcohol and tobacco, and health and personal care. Clothing and education and recreation were the most expensive groups relative to Perth.

	CKI – West Island 2021	CKI – West Island 2023
CKI - West Island overall PI	150.0	130.6
Food	219.3	160.1
Cigarettes, alcohol and tobacco	16.6	83.5
Clothing	100.0	170.1
Housing	90.9	100.9
Household equipment and operation	154.6	143.7
Health and personal care	103.5	97.8
Transport	138.0	127.9
Education and recreation	154.6	165.1

Map 3: Cocos (Keeling) Islands – West Island price index 2023

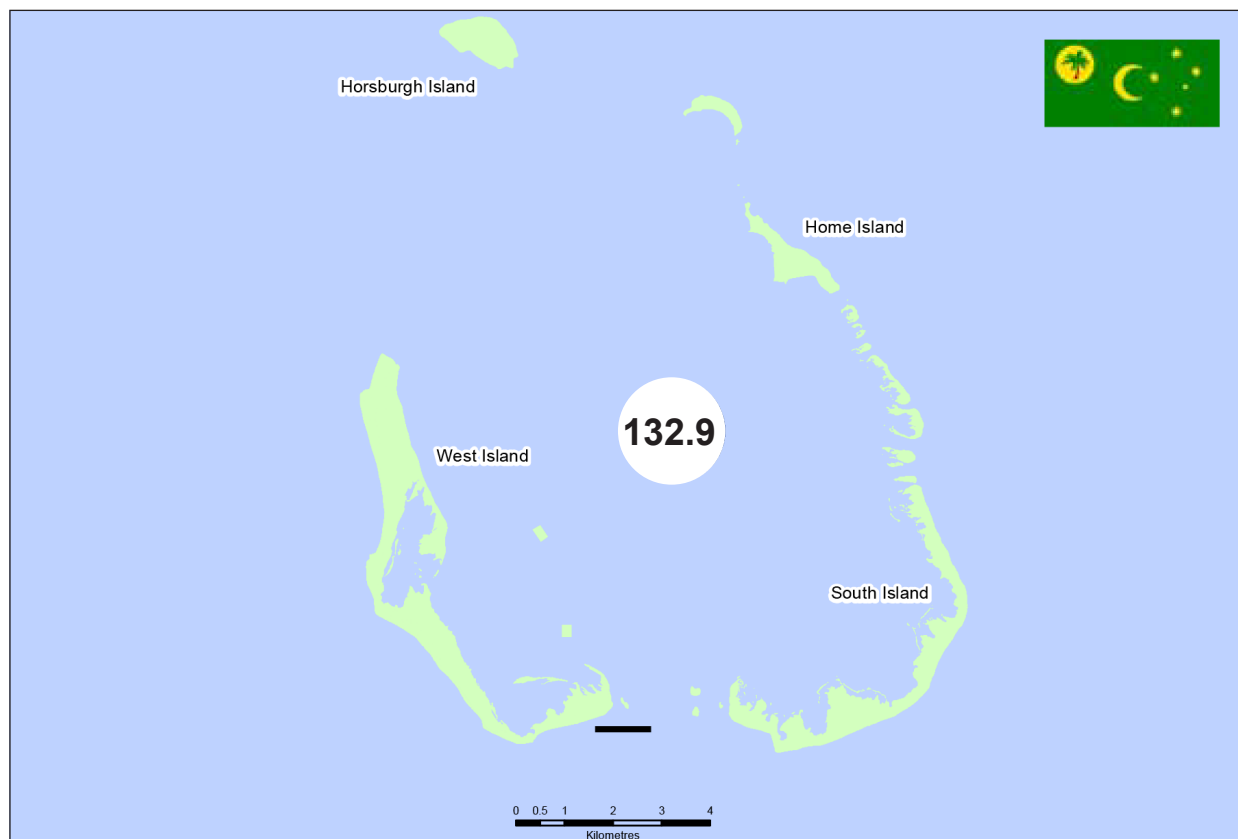


Cocos (Keeling) Islands

The CKI index takes the above price differentials from each island and weights them according to population distribution. As CKI – Home Island has the majority of CKI residents (75% of the CKI population, compared to CKI – West Island's 25%), this means that the CKI – Home Island prices impact the CKI index more heavily.

	CKI 2021	CKI 2023
CKI overall PI	145.1	132.9
Food	236.2	163.4
Cigarettes, alcohol and tobacco	17.4	83.5*
Clothing	192.4	190.3
Housing	85.7	100.9
Household equipment and operation	135.1	141.6
Health and personal care	116.8	98.7
Transport	111.0	127.9
Education and recreation	118.8	161.4

Map 4: Cocos (Keeling) Islands price index 2023



*The Cigarettes, alcohol and tobacco CKI Index figure has been calculated based on West Island only, not as a proportion of each island based on population, due to this category being excluded from Home Island (as it is an alcohol-free island).

Important disclaimer

The Chief Executive Officer of the Department of Primary Industries and Regional Development and the State of Western Australia accept no liability whatsoever by reason of negligence or otherwise arising from the use or release of this information or any part of it.

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