



Australian Government

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



Department of
Primary Industries and
Regional Development

Indian Ocean Territories price index 2025

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, Sport and the Arts.



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Cover image: Cocos (Keeling) Islands - Home Island - Turtle Beach.

The Australian Government, through the Department of Infrastructure, Transport, Regional Development, Communications, Sport 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, Sport and the Arts has responsibility for the Indian Ocean Territories (IOT), with many services provided through service delivery arrangements with the Western Australian Government. This includes developing and conducting a cost of living index for Christmas and Cocos (Keeling) Islands, known collectively as the IOT Price Index. This report is the fifth publication of the IOT Price Index, with previous publications capturing prices collected in 2023, 2021, 2019 and 2012.

Christmas Island (CI)

CI is situated in the Indian Ocean, 380 km south of Java and 2,650 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 1,692.

The primary economic activities of the island are government services, phosphate mining and a small tourism industry.

Cocos (Keeling) Islands (CKI)

CKI consist of 2 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 2,950 km north-west of Perth. The CKI population of approximately 590 people reside on the 2 main islands: Home Island and West Island.¹ The 2 islands are very different demographically, with the 448 Home Island residents principally speaking Cocos Malay and following the Islamic faith. West Island is the administrative centre for the Islands.



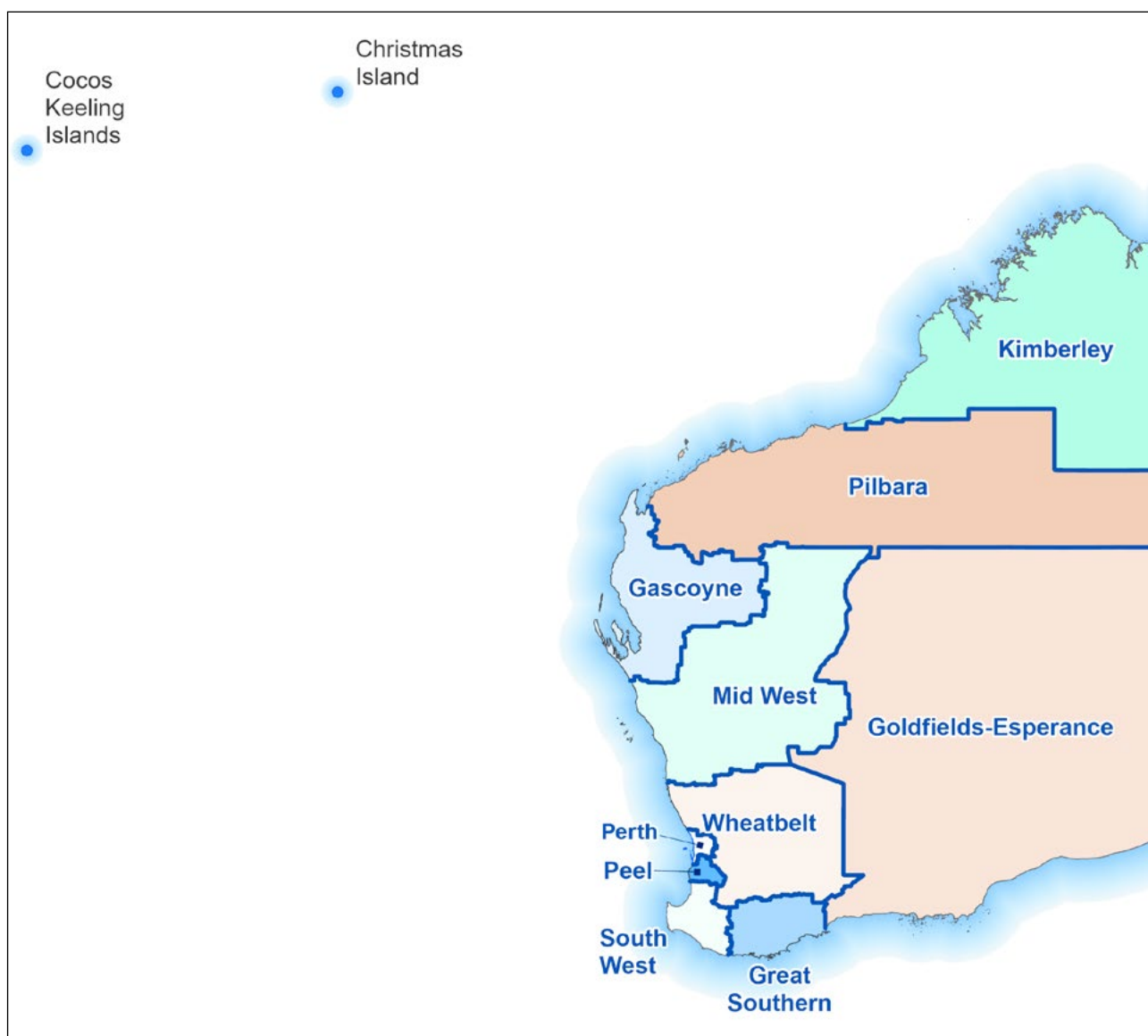
¹ Cocos (Keeling) Islands 2021 Census QuickStats, Australian Bureau of Statistics

IOT price index

A price index (PI) compares the cost of living between different locations. The cost of buying a basket 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 indices from different years cannot be directly compared. Each index is a point in time comparison, rather than a time series comparison.



Basket of goods and services

The basket of goods and services consisted of 305 items which are grouped into eight broad categories. The eight categories are derived from the Australian Bureau of Statistics' Consumer Price Index and include:

Food: Dairy, cereals, meat and seafood, fruit and vegetables, drinks, snacks and confectionery, other foods, meals out and takeaway foods.

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

Clothing: Garments, shoes and accessories (adult and children).

Health and personal care: Basic medical, dental, optical and pharmaceutical services.

Housing: Home ownership (house sales, maintenance, and government rates and charges), rents, cost of utilities and insurance.

Household equipment and operation: Kitchen and household utensils, household supplies, household appliances, furniture and accessories, household services, communication services and credit charges.

Transportation: Motor vehicles, fuel, parts, licence fees and insurance.

Recreation and education: Newspapers, audio, visual and computing equipment, sporting goods and services, toys, pets, and primary and secondary education related costs.



Price collection and community consultation

Prices for the basket of goods and services were collected from retail stores and service providers between June and August 2025. This was at the same time the Department of Primary Industries and Regional Development (DPIRD) conducted the 2025 Regional Price Index (RPI) for Western Australia, meaning that the IOT price collections were conducted concurrently when price collections occurred across regional WA.

Following a comprehensive review of the 2023 collection, the 2025 IOT Price Index uses a new and expanded basket

of goods and services and a revised set of weights. These updates align with the RPI framework, which is documented in the Regional Price Index 2025 Methodology. In particular, variations to the methodology can be seen in the health and personal care and recreation and education groups, which now capture the financial benefit of free health, recreation and education services. Due to these changes in methodology, readers should exercise caution when making direct comparisons across IOT Price Index editions.



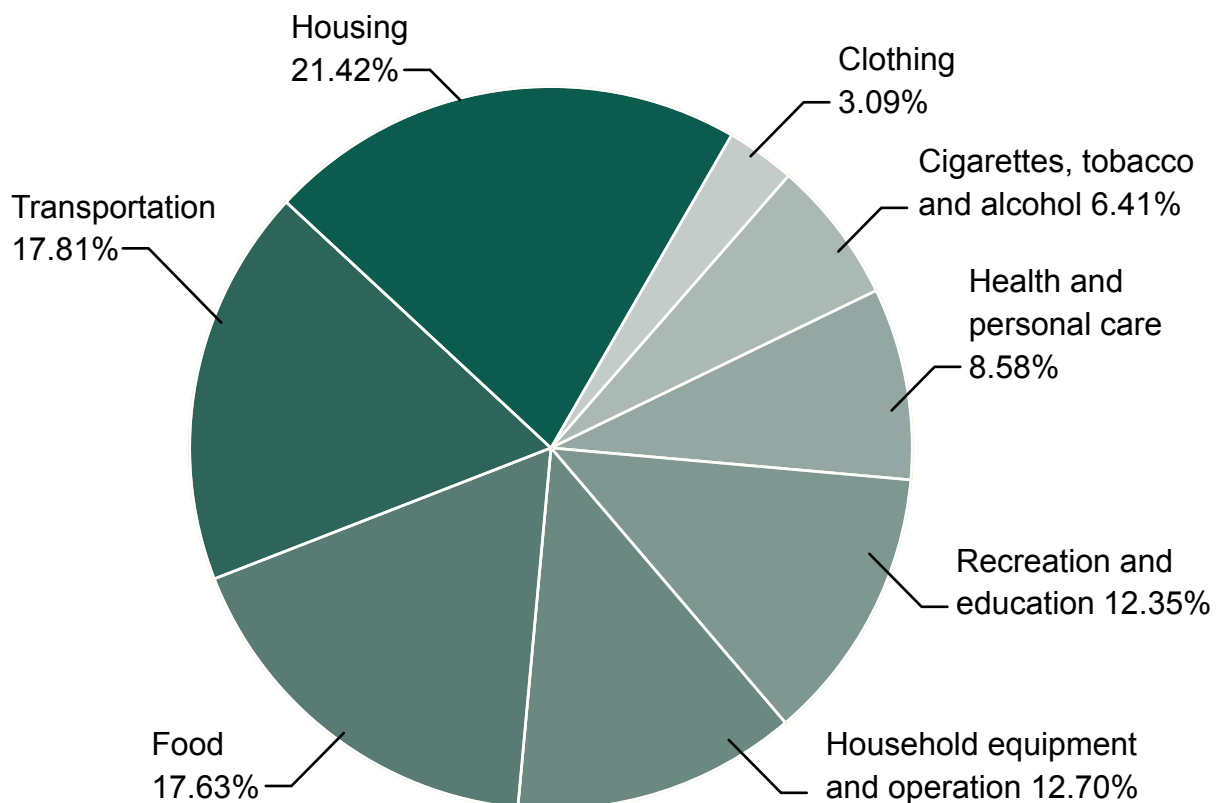
Weights

The IOT Price Index is a weighted index, meaning greater priority is given to items that are considered more essential and purchased at a higher rate. For example, fresh food such as fruit and vegetables are dietary staples and therefore receive higher weights than snacks and confectionary in the index calculation.

Weights determine how much each item in the basket of goods and services influences the overall index. The commodity group weights are based on the Australian Bureau of Statistics' Consumer Price Index and household expenditure survey.

Weights are also applied to compile the CKI index, which combines data from Home Island and West Island. The two locations were weighted according to their relative population size, with Home Island assigned a larger weight due to its higher population. As a result, prices collected on Home Island have a greater influence on the overall CKI index because they represent a larger share of purchasing activity.

2025 Commodity group weights



IOT Price Index 2025

Christmas Island

	CI Index
2025 CI overall price index	114.8
Food	150.4
Cigarettes, tobacco and alcohol	75.2
Clothing	205.2
Housing	99.9
Household equipment and operation	130.9
Health and personal care	25.7
Transportation	149.8
Recreation and education	82.5

Cocos (Keeling) Islands

	CKI – West Island	CKI – Home Island	CKI Index
2025 CKI overall price index	123.9	127.6	126.7
Food	176.1	184.6	182.5
Cigarettes, tobacco and alcohol	87.4	N/A ²	87.4
Clothing	202.0	202.2	202.1
Housing	110.6	111.6	111.4
Household equipment and operation	148.1	149.7	149.3
Health and personal care	26.5	26.5	26.5
Transportation	165.2	160.9	161.9
Recreation and education	55.2	202.2	55.2

² *The Cigarettes, tobacco and alcohol 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).

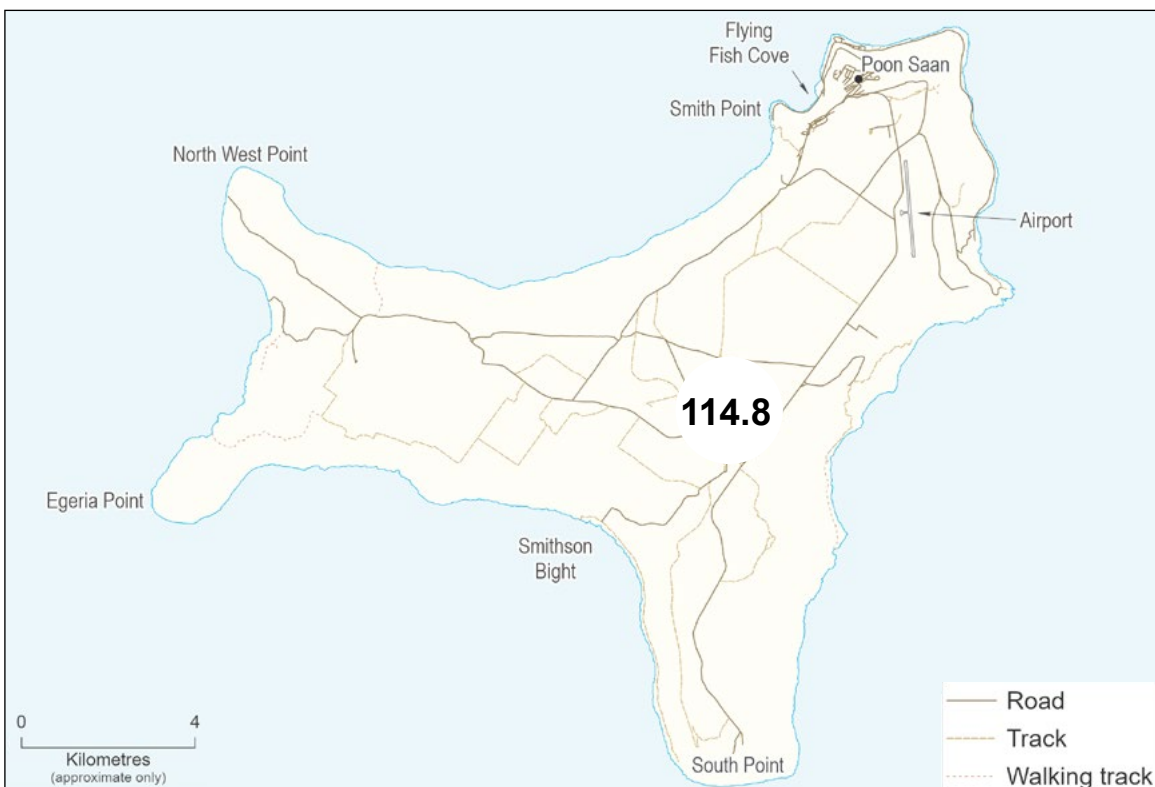
Analysis of each island

Christmas Island

The index for CI indicates that the overall cost of purchasing the basket of goods and services in 2025 was 14.8% higher than Perth. The most expensive groups relative to Perth were clothing, food and transportation. Cigarettes, tobacco and alcohol, and housing, were cheaper than Perth. Significant variations in the health and personal care and recreation and education groups reflect the updated methodology in 2025, which now captures the financial benefit of free services compared to the approach applied in 2023.

	CI 2023	CI 2025
CI overall price index	127.5	114.8
Food	149.4	150.4
Cigarettes, tobacco and alcohol	82.5	75.2
Clothing	215.2	205.2
Housing	115.5	99.9
Household equipment and operation	136.0	130.9
Health and personal care	104.1	25.7
Transportation	144.8	149.8
Recreation and education	101.2	82.5

Map 1: Christmas Island price index 2025



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 2025 was 27.6% higher than Perth. Clothing and food were the most expensive groups relative to Perth. Health and personal care and recreation and education were cheaper than Perth. Significant variations in these groups reflect the updated methodology in 2025, which now captures the financial benefit of free services compared to the approach applied in 2023.

The cigarettes, tobacco and alcohol category was excluded from Home Island as it is an alcohol-free island.

	CKI – Home Island 2023	CKI – Home Island 2025
CKI – Home Island overall price index	133.6	127.6
Food	164.4	184.6
Cigarettes, tobacco and alcohol	N/A	N/A
Clothing	197.0	202.2
Housing	100.9	111.6
Household equipment and operation	141.0	149.7
Health and personal care	99.0	26.5
Transportation	127.9	160.9
Recreation and education	161.4	55.2

Map 2: Cocos (Keeling) Islands – Home Island price index 2025

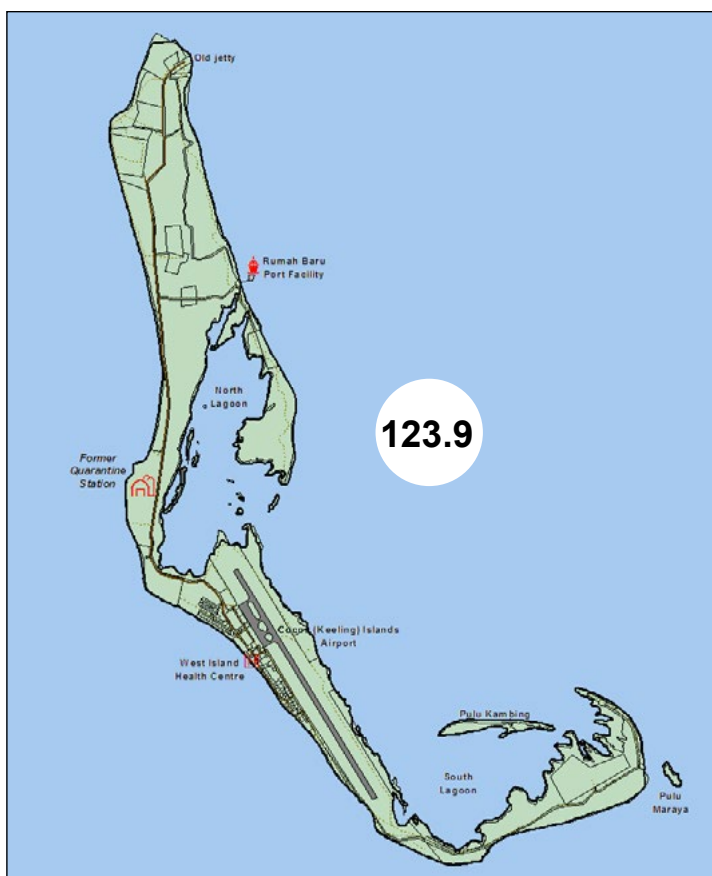


Cocos (Keeling) Islands – West Island

The index for CKI West Island indicates that the overall cost of purchasing the basket of goods and services in 2025 was 23.9% higher than Perth. Clothing and food were the most expensive groups relative to Perth. Cigarettes, tobacco and alcohol, health and personal care, and recreation and education were cheaper than Perth. Significant variations in health and personal care and recreation and education reflect the updated methodology used in 2025, which now captures the financial benefit of free services compared to the approach applied in 2023.

	CKI – West Island 2023	CKI – West Island 2025
CKI – West Island overall price index	130.6	123.9
Food	160.1	176.1
Cigarettes, tobacco and alcohol	83.5	87.4
Clothing	170.1	202.0
Housing	100.9	110.6
Household equipment and operation	143.7	148.1
Health and personal care	97.8	26.5
Transportation	127.9	165.2
Recreation and education	161.3	55.2

Map 3: Cocos (Keeling) Islands – West Island price index 2025



Important disclaimer

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