



Delta Pearl
Partners

Quarterly Retail Price Index for Norfolk Island – June Quarter, 2025 – Results

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Contact



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Headline Result

For the June 2025 quarter (Q2 2025) on Norfolk Island:

- **quarterly inflation is 2.32% compared with 4.53% in the March quarter (Q1 2025).**
- **annualised inflation is 8.09% compared with 6.22% in the March quarter (Q1 2025).**

The latest inflation results are shown in the updated inflation data dashboard maintained on the Norfolk Island Regional Council website.

1. Introduction

This report outlines price inflation on Norfolk Island for the June quarter of 2025, which is the second quarter (Q2) for calendar year 2025.

Norfolk Island Regional Council (NIRC) commissioned DeltaPearl Partners to collate price data and prepare Retail Price Index (RPI) for Norfolk Island in late 2021/early 2022, after Norfolk Island's inflation measurement lapsed in 2011 for various reasons, largely data issues, as outlined in earlier reports.

DeltaPearl has undertaken regular estimates of inflation for NIRC on a quarterly basis throughout 2022, 2023 and 2024. The reinstatement of the RPI, and then the updating of the basket of goods and services, is detailed in the reports provided to NIRC during these years. The quarterly and annual results are now fully based on the new basket and new modelled expenditure weights.

The latest inflation results are shown in the updated inflation data dashboard maintained on the Norfolk Island Regional Council website.

2. Inflation this quarter, June (Q2) 2025

2.1. Headline results

The results of the price collection and calculation of the RPI indicate that:

- **quarterly inflation is 2.32%** compared with 4.53% in the March quarter (Q1 2025) and 0.90% in the December quarter (Q4 2024).
- **annualised inflation is 8.09%** compared with 6.22% in the March quarter (Q1 2025) and 0.74% in the December quarter (Q4 2024).

2.2. Results by expenditure groups

The results for each of the 10 expenditure groups are presented below.

Table 1: Inflation rates, Q2 2025, quarterly and annualised quarterly

Groups	Weight	Quarterly change	Annualised quarterly change
1. Food and non-alcoholic beverages	24.04%	4.17%	8.88%
2. Tobacco and alcohol	6.90%	0.74%	5.05%
3. Clothing and footwear	3.05%	0.70%	10.81%
4. Housing	19.58%	0.00%	5.93%
5. Household contents & services	10.16%	-0.03%	4.16%
6. Health	3.23%	0.00%	0.02%
7. Transportation	13.78%	5.36%	8.32%
8. Communication	2.31%	0.00%	0.27%
9. Recreation	9.56%	0.97%	7.85%
10. Insurance services	7.38%	4.12%	23.51%
All groups	100.00%	2.32%	8.09%

Based on the prices collected, we found that during the June quarter 2025, some food prices, particularly those for meat and some vegetables, rose due to shipping delays requiring air freight of such products. This was offset by some price reductions for other products as they were shipped in in bulk quantities (e.g., vegetables, including potatoes and tomatoes).¹ Most alcohol prices were stable, but cigarettes increased with the increase in the Australian excise tax that takes place during March and September each year.² The transport and insurance categories experienced an increase in petrol prices,³ and a rise in insurance products to align Norfolk insurance prices with Australian mainland prices. There were some cost-of-living pressures on prices in the recreation category; for example, the costs of veterinarian consultations and yoga classes rose, although these increases were offset to an extent by the reduction in airline flight prices (off-peak season). Air Chathams has now ceased flying to Norfolk Island. It is unclear what impact this will have on Qantas airfares at this stage, but the reduced competition may place upward pressure on prices.

2.1. Comparison of quarterly results with two preceding quarters

The results for this quarter in comparison with the last two quarters results are presented below.

Table 2: Current quarterly inflation rates by subgroups compared with two preceding quarters

Groups	Weight	Change to December 2024 (Q4)	Change to March 2025 (Q1)	Changes to June 2025 (Q2)
1. Food and non-alcoholic beverages	24.04%	0.30%	3.38%	4.17%
2. Tobacco and alcohol	6.90%	-8.10%	10.63%	0.74%
3. Clothing and footwear	3.05%	-1.29%	11.35%	0.70%
4. Housing	19.58%	0.00%	11.73%	0.00%
5. Household contents & services	10.16%	0.68%	2.73%	-0.03%
6. Health	3.23%	0.00%	0.00%	0.00%
7. Transportation	13.78%	-3.75%	3.49%	5.36%
8. Communication	2.31%	1.06%	0.00%	0.00%
9. Recreation	9.56%	3.65%	-0.86%	0.97%
10. Insurance services	7.38%	21.63%	0.00%	4.12%
All groups (quarterly change)		0.90%	4.53%	2.32%
All groups (annualised quarterly change)		0.74%	6.22%	8.09%

Q4 2024: For the *December* 2024 quarter (Q4) on Norfolk Island: quarterly inflation was 0.90% using the new basket of goods, weights, and model compared with 0.16% in the September quarter, 0.55% in the June quarter (Q2), and 0.98% (using the old model and weights) in the March quarter (Q1 2024). Annualised inflation was 0.74% using the old weights and model (compared with 2.34% to the end of the September quarter, 2.39% to the end of the June quarter (Q2 2024) and 1.84% to the end of the March quarter (Q1 2024). Based on the prices collected, we found that there were increases in insurance prices, with Norfolk prices aligning with Australian insurance prices in this regard. In contrast with the previous two quarters, there was no further downward pressure on rents, and the housing sector therefore stabilised. There was some downward pressure on alcohol prices relating to Christmas specials during this quarter, as well as on transportation prices, with fuel costs declining.

¹ In general, prices for food fluctuate as some items become short in supply, necessitating air freight and hence higher prices; they may subsequently be brought in by ship in bulk, making them cheaper than previous quarter.

² <https://www.ato.gov.au/businesses-and-organisations/gst-excise-and-indirect-taxes/tobacco-and-excise/excise-duty-rates-for-tobacco>

³ Petrol prices renew with each order of fuel that is delivered by ship; there is a complex chain of supply that contributes to the final cost but the rise this quarter was reported as being a delayed catch-up with Australian mainland prices. That is, the slight increase in Q1 in Australian petrol prices is now being seen on Norfolk Island.

Q1 2025: During the March quarter (Q1) 2025, quarterly inflation was 4.53% and annualised inflation was 6.22%. There were increases in housing (rent) prices including because some rental properties were sold. Rents in Australian capital cities are moderating slightly but remain at elevated levels with the December 2024 quarter still up at 6.4% over the year. There were also price increases across a range of food and non-alcoholic beverage items (particularly dairy and meat), as well as some alcohol items owing to shipping delays leading to these items becoming out of stock and necessitating air freight for delivery, which increases prices. The influence of Cyclone Alfred during this quarter may explain the shipping delays and subsequent need for air freighting imported products.

The graph below illustrates the inflationary changes from the reinstatement of the RPI for Norfolk Island in February 2022 to June 2025.

Figure 1: Inflation Feb 2022 to June 2025



