

Tuesday, 23 September 2025

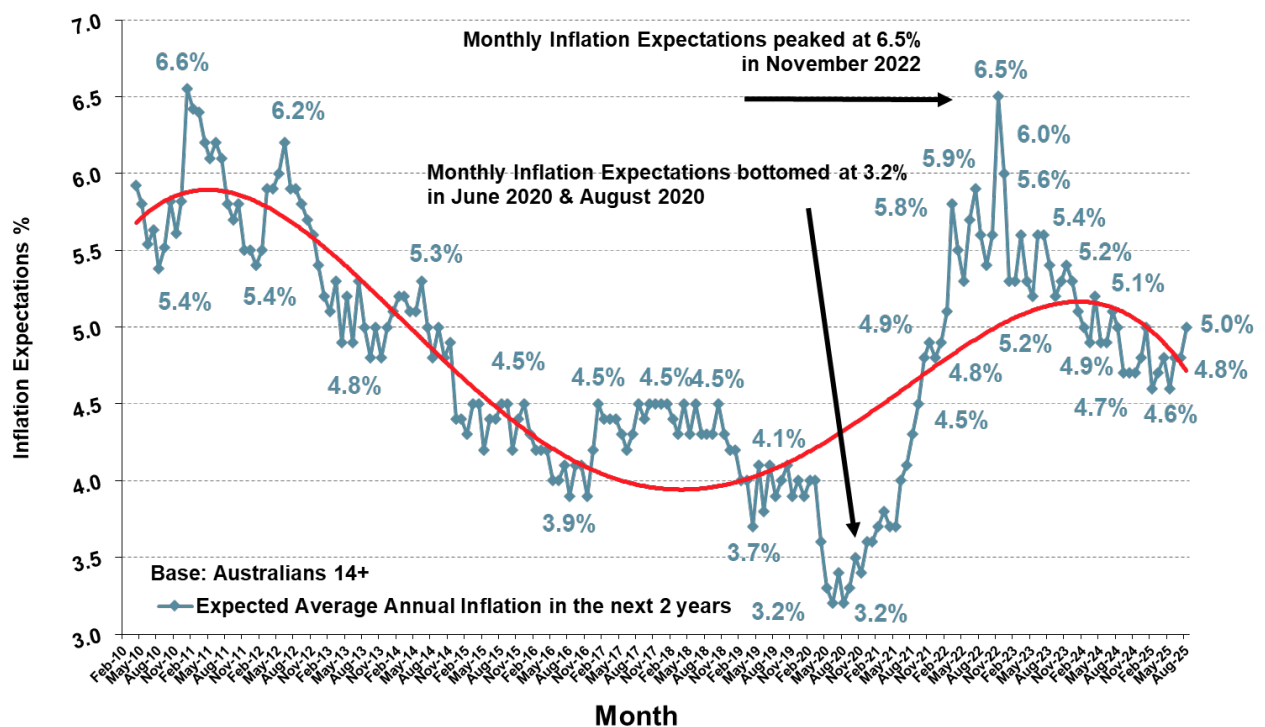
## ANZ-Roy Morgan Inflation Expectations are at 5% in late September – the same as for the full month of August

The weekly ANZ-Roy Morgan Inflation Expectations were at 5% for the week of September 15-21, 2025, the same as for the full month of August.

A look at monthly Inflation Expectations for August 2025 shows the measure at 5% for the month – up 0.2% points from July – the highest monthly Inflation Expectations since January 2025 (also 5%).

Looking back over the last year, weekly Inflation Expectations have moved in a band of 4.2% - 5.2% since the start of August 2024 and averaged 4.8%. In addition, the latest information on weekly Inflation Expectations is available to view each week in the [Roy Morgan Weekly Update video on YouTube](#).

### Monthly Inflation Expectations Index long-term trend – Expected Annual Inflation in next 2 years



**Source:** Roy Morgan Single Source: Interviewing an average of 4,900 Australians aged 14+ per month (April 2010 – August 2025).

### Average retail petrol prices dropped to \$1.78 per litre in August

During August, average retail petrol prices dropped by two cents per litre to \$1.78 per litre – reversing the rise of two cents per litre in petrol prices during the month of July.

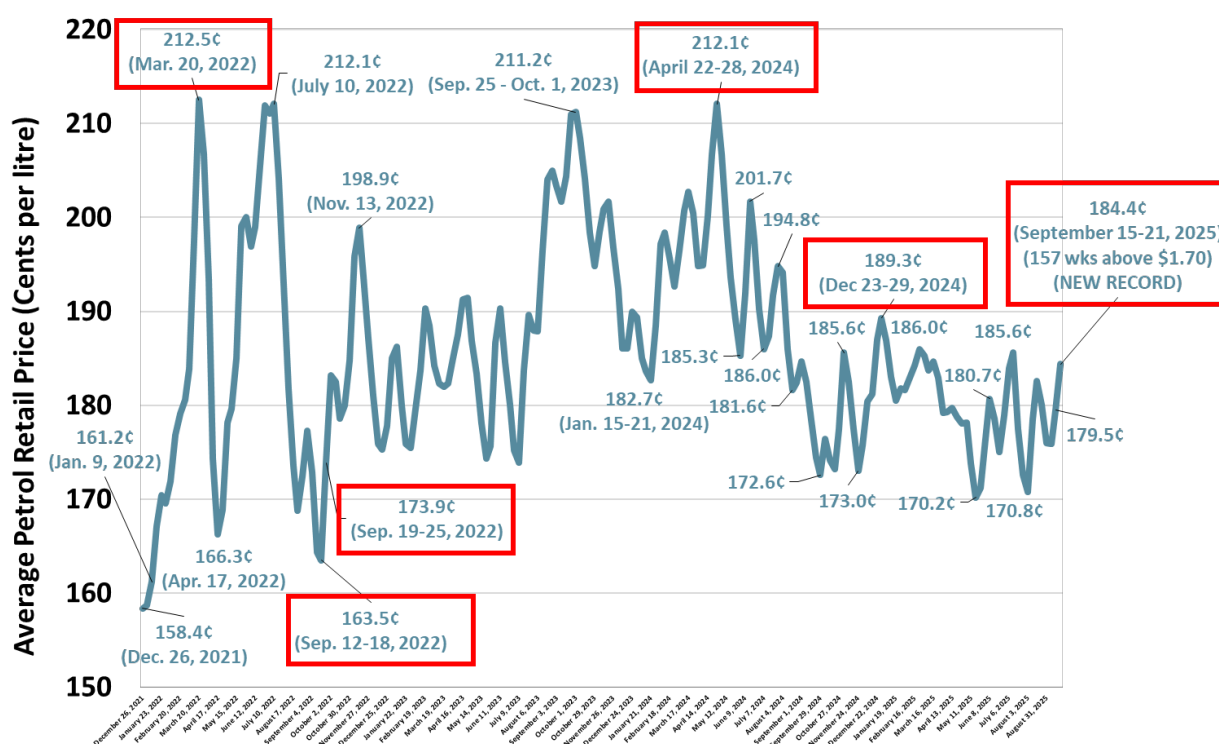
Average retail petrol prices started the month of August at \$1.71 per litre and increased to a monthly high of \$1.83 per litre in mid-August, before dropping back to \$1.76 per litre by the final week of August. After August ended, average retail petrol prices increased in September back to \$1.84 per litre.

Average retail petrol prices hit near three-year lows in May but then rebounded into June – this volatility is reflected in the weekly Inflation Expectations of Australians which have moved in a band of 0.5% between 4.7-5.2% during June, July, August and so far in September. On a weekly level, Inflation Expectations have increased eight times, decreased eight times, and been unchanged once during this period.

Looking longer-term, average retail petrol prices have now been at, or above, \$1.70 per litre for a record 157 straight weeks, equivalent to three years uninterrupted, since mid-September 2022.

Looking back average retail petrol prices have now averaged \$1.85 per litre since mid-February 2024, but this has dropped to an average of \$1.78 per litre since early April 2025 over the last 25 weeks. The reduction in petrol prices this year has clearly lessened inflation pressures and was no doubt a key factor for the Reserve Bank behind its decision to cut interest rates in February, May and early August.

### Australian average retail petrol prices (cents per litre) weekly: 2021 – 2025



**Source:** Australian Institute of Petroleum (AIP) weekly reports: <https://www.aip.com.au/pricing/weekly-prices-reports>.

The latest official [ABS monthly annual CPI estimate at 2.8% for the year to July 2025](#) is directly within the Reserve Bank's preferred target range of 2-3% over the course of the economic cycle. Official estimates of inflation have now been within the preferred target range for twelve months since August 2024.

The drop in official estimates of inflation led to the first cut in official interest rates for over four years by the Reserve Bank in mid-February by +0.25% to 4.1%, in late May by +0.25% to 3.85% and again in early August by +0.25% to 3.6%.

**The next ABS Monthly CPI estimate for August 2025 is due to be released this week on Wednesday.**

### Inflation Expectations were highest in Queensland, Western Australia and New South Wales

A look at Monthly Inflation Expectations on a State-based level for August shows mixed results with increases in Queensland, Western Australia, New South Wales, were unchanged in Victoria and Tasmania, but were down in South Australia.

Inflation Expectations were highest in Queensland at 5.3%, up 0.1% points from a month ago and the highest of any State for a second consecutive month.

There were also increases to Inflation Expectations in Western Australia, up 0.9% points to 5.2%, and in New South Wales, up by 0.2% points to 5.1% - with both clearly above the national average of 5%.

Inflation Expectations in Victoria were unchanged at 4.8% and were unchanged at 4.7% in Tasmania. Going against the national trend, Inflation Expectations in South Australia dropped 0.4% points to 4.7%. Inflation Expectations in Country Areas increased significantly by 0.4% points to 5.3% in August and were up by 0.2% points to 4.9% in Capital Cities.

**Roy Morgan CEO Michele Levine says weekly Inflation Expectations were at 5% in late September, unchanged from the August estimate of 5%:**

*“ANZ-Roy Morgan Inflation Expectations in Australia are unchanged so far in September and are now at 5%, in line with the result for the full month of August (5%). Inflation Expectations in the month of August were up 0.2% points from a month earlier.*

*“The indications so far this month are that Inflation Expectations for September will be in line with the six-month high in August and clearly above the levels of both June and July.*

*“The maintenance of an elevated level of Inflation Expectations in September is no surprise when one considers that the average retail petrol price in mid-September of \$1.84 per litre, is almost identical to the high of \$1.83 per litre reached in mid-August.*

*“The good news for Australians is that the official ABS inflation estimates have continued within the Reserve Bank’s preferred target range of 2-3% over the course of the economic cycle – at [2.8% for the year to July 2025](#). Inflation Expectations have now been within the target range for twelve straight months since August 2024 averaging 2.4% during this period.*

*“The sharp reduction in inflationary pressures in the broader economy during which official annual inflation fell from 4.1% in 2023 to 2.4% in 2024 – a fall of 1.7% points – led to the Reserve Bank cutting official interest rates in February, May and early August by a total of 0.75% to 3.6%.*

*“The volatility in energy prices, and Inflation Expectations, in recent weeks and months shows just how sensitive Australians are to changes in the prices of essential everyday goods – like petrol.”*

See below for a comprehensive list of RBA interest rate changes during the time-period charted above.

The data for the Inflation Expectations series is drawn from the Roy Morgan Single Source which has interviewed an average of around 5,300 Australians aged 14+ per month over the last decade from September 2015 – August 2025 and includes interviews with 4,099 Australians aged 14+ in August 2025.

**For comments and information about Roy Morgan’s Inflation Expectations data, please contact:**

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**About Roy Morgan**

Roy Morgan is Australia’s largest independent Australian research company, with offices in each state, as well as in the U.S. and U.K. A full-service research organisation, Roy Morgan has over 80 years’ experience collecting objective, independent information on consumers.



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## The questions used to calculate the Monthly Roy Morgan Inflation Expectations Index.

**1) Prices:** “During the next 2 years, do you think that prices in general will go up, or go down, or stay where they are now?”

**2a) If stay where they are now:** “Do you mean that prices will go up at the same rate as now or that prices in general will not go up during the next 2 years?”

**2b) If go up or go down:** “By about what per cent per year do you expect prices to (go up/ go down) on average during the next 2 years?”

**3) “Would that be (x%) per year, or is that the total for prices over the next 2 years?”**

The Roy Morgan Inflation Expectations Index is a forward-looking indicator unlike the Consumer Price Index (CPI) and is based on continuous (weekly) measurement, and monthly reporting. The Roy Morgan Inflation Expectations Index is current and relevant.

### Monthly Roy Morgan Inflation Expectations Index (2010 – 2025)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Yearly Average
2010	n/a	n/a	n/a	5.9	5.8	5.5	5.6	5.4	5.5	5.8	5.6	5.8	5.7
2011	6.6	6.4	6.4	6.2	6.1	6.2	6.1	5.8	5.7	5.8	5.5	5.5	6.0
2012	5.4	5.5	5.9	5.9	6.0	6.2	5.9	5.9	5.8	5.7	5.6	5.4	5.8
2013	5.2	5.1	5.3	4.9	5.2	4.9	5.3	5.0	4.8	4.9	4.8	5.0	5.0
2014	5.1	5.2	5.2	5.1	5.1	5.3	5.0	4.8	5.0	4.8	4.9	4.4	5.0
2015	4.4	4.3	4.5	4.5	4.2	4.4	4.4	4.5	4.5	4.2	4.4	4.5	4.5
2016	4.3	4.2	4.2	4.2	4.0	4.0	4.1	3.9	4.1	4.1	3.9	4.2	4.1
2017	4.5	4.4	4.4	4.4	4.3	4.2	4.3	4.5	4.4	4.5	4.5	4.5	4.4
2018	4.5	4.4	4.3	4.5	4.3	4.5	4.3	4.3	4.3	4.5	4.3	4.2	4.4
2019	4.2	4.0	4.0	3.7	4.1	3.8	4.1	3.9	4.0	4.1	3.9	4.0	4.0
2020	3.9	4.0	4.0	3.6	3.3	3.2	3.4	3.2	3.3	3.5	3.4	3.6	3.5
2021	3.6	3.7	3.8	3.7	3.7	4.0	4.1	4.3	4.5	4.8	4.9	4.8	4.2
2022	4.9	5.1	5.8	5.5	5.3	5.7	5.9	5.6	5.4	5.6	6.5	6.0	5.6
2023	5.3	5.3	5.6	5.3	5.2	5.6	5.6	5.4	5.2	5.3	5.4	5.3	5.4
2024	5.1	5.0	4.9	5.2	4.9	4.9	5.1	5.0	4.7	4.7	4.7	4.8	4.9
2025	5.0	4.6	4.7	4.8	4.6	4.8	4.8	5.0					4.8
Monthly Average	4.8	4.7	4.9	4.8	4.8	4.8	4.9	4.8	4.7	4.8	4.8	4.8	4.8

Overall: Roy Morgan Inflation Expectations Average: 4.8

### The Roy Morgan Consumer Confidence Report – Including Inflation Expectations

To learn more about the trends for Inflation Expectations as well as Consumer Confidence for different segments and demographics throughout the Australian community, purchase the [Roy Morgan Consumer Confidence Monthly Report](#).

**RBA interest rates changes during the time-period measured: 2010-2025.****RBA – Interest rate increasing cycle (2010):****2010**

April 2010: +0.25% to 4.25%; May 2010: +0.25% to 4.75%, November 2010: +0.25% to 5%.

**RBA – Interest rate cutting cycle (2011-2013, 2015-2016 & 2019-2020):****2011 – 2013**

November 2011: -0.25% to 4.5%; December 2011: -0.25% to 4.25%; May 2012: -0.5% to 3.75%;  
June 2012: -0.25% to 3.5%; October 2012: -0.25% to 3.25%; December 2012: -0.25% to 3%;  
May 2013: -0.25% to 2.75%; August 2013: -0.25% to 2.5%.

**2014**

There were no RBA interest rate changes during 2014.

**2015 – 2016**

February 2015: -0.25% to 2.25%; May 2015: -0.25% to 2%; May 2016: -0.25% to 1.75%;  
August 2016: -0.25% to 1.5%.

**2017 – 2018**

There were no RBA interest rate changes during 2017-18.

**2019 – 2020**

June 2019: -0.25% to 1.25%; July 2019: -0.25% to 1%; October 2019: -0.25% to 0.75%;  
March 4, 2020: -0.25% to 0.5%, March 20, 2020: -0.25% to 0.25% & November 6, 2020: -0.15% to 0.1%.

**RBA – Interest rate increasing cycle (2022-23):****2022**

May 2022: +0.25% to 0.35%, June 2022: +0.5% to 0.85%; July 2022: +0.5% to 1.35%;  
August 2022: +0.5% to 1.85%; September 2022: +0.5% to 2.35%; October 2022: +0.25% to 2.6%;  
November 2022: +0.25% to 2.85% and December 2022: +0.25% to 3.1%.

**2023**

February 2023: +0.25% to 3.35%; March 2023: +0.25% to 3.6%; May 2023: +0.25% to 3.85%;  
June 2023: +0.25% to 4.10%; November 2023: +0.25% to 4.35%.

**2024**

There were no RBA interest rate changes during 2024.

**RBA – Interest rate cutting cycle (2025):****2025**

February 2025: -0.25% to 4.10%; May 2025: -0.25% to 3.85%; August 2025: -0.25% to 3.60%.

**Margin of Error**

The margin of error to be allowed for in any estimate depends mainly on the number of interviews on which it is based. Margin of error gives indications of the likely range within which estimates would be 95% likely to fall, expressed as the number of percentage points above or below the actual estimate. Allowance for design effects (such as stratification and weighting) should be made as appropriate.

Sample Size	Percentage Estimate			
	40%-60%	25% or 75%	10% or 90%	5% or 95%
5,000	±1.4	±1.2	±0.8	±0.6
50,000	±0.4	±0.4	±0.3	±0.2

