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ROY MORGAN



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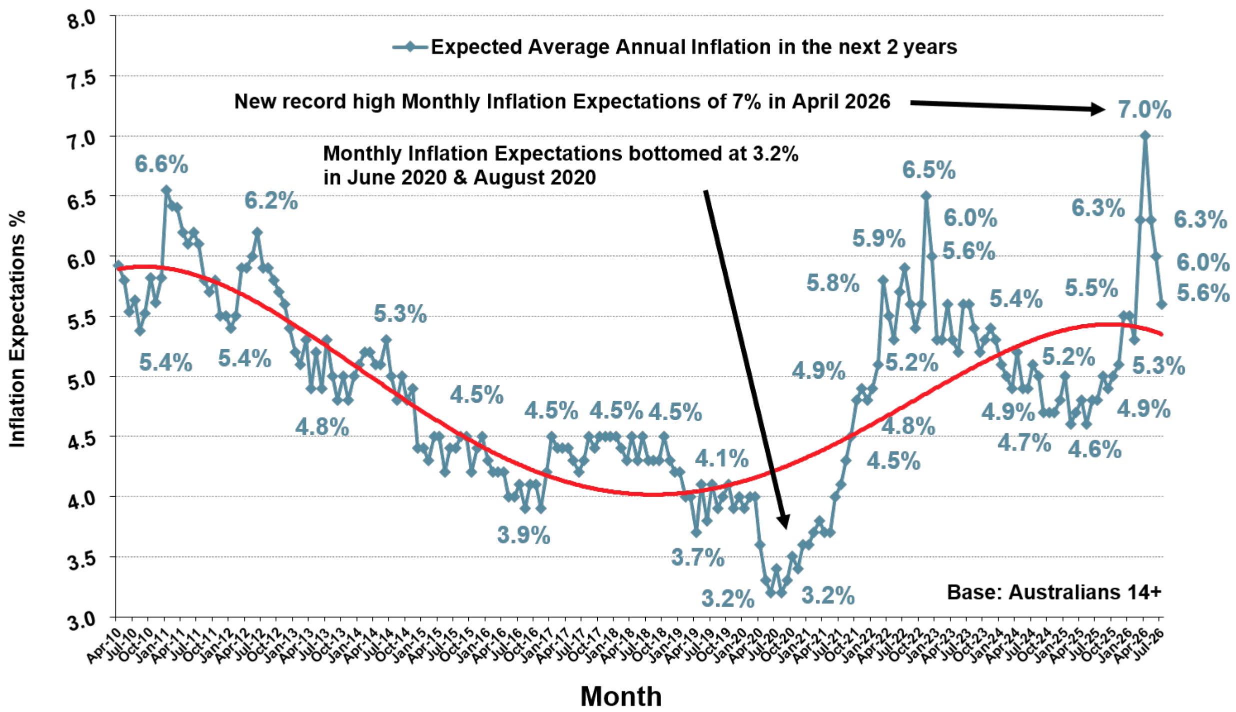
# ANZ-Roy Morgan Inflation Expectations were at 6.1% in late August – up 0.5% points from the month of July

**The weekly ANZ-Roy Morgan Inflation Expectations declined early in the month of July but have now increased for six out of the last seven weeks since mid-July as cuts to the petrol and diesel fuel excises were wound back in early July and ended in early August. Inflation Expectations are now at 6.1% for the week of August 17-23, 2026, up 0.5% points from the month of July.**

The latest weekly reading is just 0.1% points below the average for Inflation Expectations over the last 26 weeks since the Iran War began on February 28, 2026, of 6.2%. A look at monthly Inflation Expectations for July 2026 shows the measure at 5.6% for the month – down 0.4% points from the prior month of June.

Inflation Expectations hit a record monthly high of 7% for April 2026 following the United States and Israel attack on Iran but then dropped rapidly. However, the recent standoff has sent Inflation Expectations back up for six of the last seven weeks since early July. 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 – July 2026).

### Average retail petrol prices increased by five cents a litre to over $1.70 per litre in July

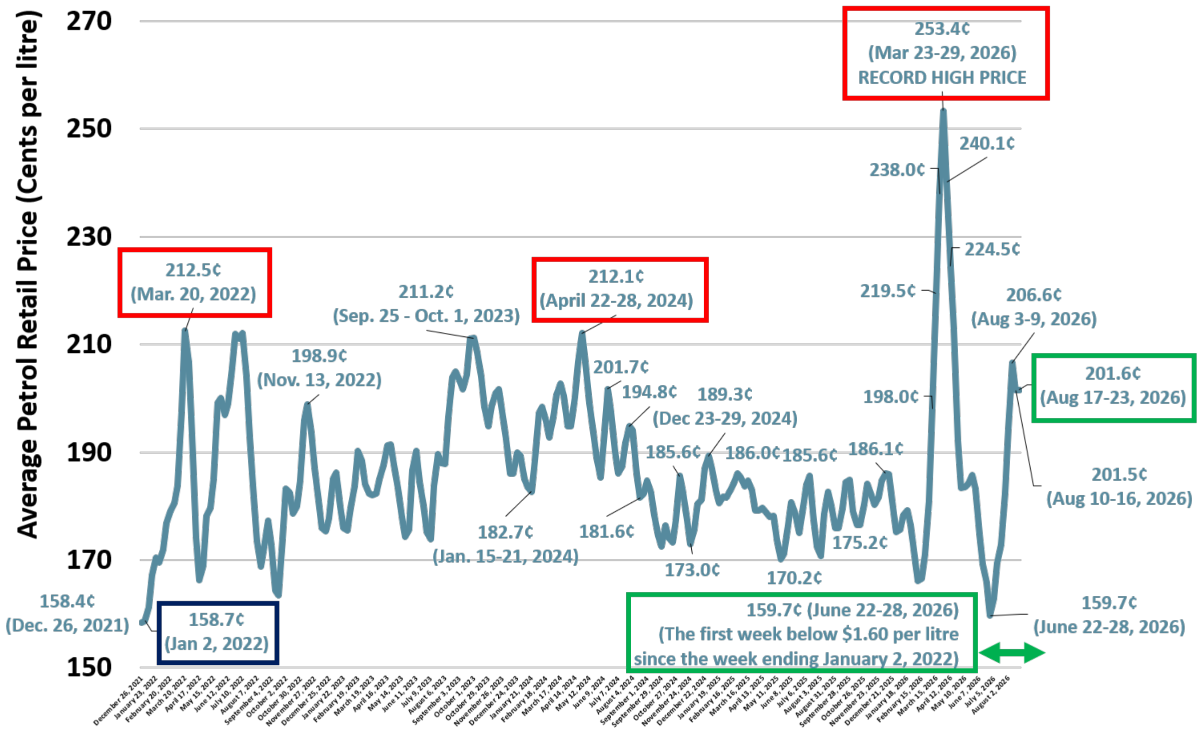
Average retail petrol prices hit a four-and-a-half year low of only $1.597 in late June, before the fuel excise cut began to be wound back, with half removed in early July, and the other half removed a month later in early August.

The ending of the fuel excise cut led to an immediate increase in the average price of petrol which increased from under $1.60 per litre in late June, to end July above $1.80 per litre which worked out as an average price of $1.72 per litre for the month of July, up five cents from June ($1.67 per litre).

After the end of July, and the end of the fuel excise cut in early August, average retail petrol prices increased by over 10 cents per litre and have averaged over $2 per litre so far in August – the highest average price for four months since April 2026 ($2.18 per litre) – when Inflation Expectations reached a record monthly high of 7.0%.

Since the fuel excise cut began to be wound back in early July average retail petrol prices have now increased by over 40 cents per litre (+26.2%).

**Australian average retail petrol prices (cents per litre) weekly: 2021 – 2026**




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

The latest official ABS quarterly annual CPI estimate at 3.8% for the year to June 2026 is above the Reserve Bank's preferred target range of 2-3% over the course of the economic cycle, despite dropping 0.8% points since March 2026. Despite the fall, ABS estimates of inflation have doubled since June 2025 (1.9%).

**The next ABS Monthly CPI estimate for July 2026 is due to be released on Wednesday.**

## Inflation Expectations were highest in Tasmania and New South Wales

A look at Monthly Inflation Expectations on a State-based level for July shows small increases in two States, Tasmania, up 0.2% to 7%, and in New South Wales, up 0.1% to 6% - and now the two States with the highest Inflation Expectations in the country.

Inflation Expectations were down in all other States led by Queensland, down 0.4% points to 5.9%, Victoria, down 0.3% points to 5.3%, Western Australia, down 0.8% points to 5.1%, and South Australia, down by a large 1.9% points to 4.8%, and now the lowest Inflation Expectations of any State.

Inflation Expectations in Country Areas increased 0.2% points to 6.4% in July, but in Capital Cities plunged by 0.5% points to 5.3%.

**Roy Morgan CEO Michele Levine says Inflation Expectations have increased significantly since hitting a low of 5.4% in mid-July and have now increased for six out of the last seven weeks and are now at 6.1% in late August – up 0.7% points from mid-July:**

> *"ANZ-Roy Morgan Inflation Expectations in Australia hit a record monthly high of 7% in April, and a weekly high of 7.3% at the end of March. Since that peak, Inflation Expectations significantly declined during late April, May, June, until hitting a weekly low of 5.4% in mid-July.*
>
> *"During this period, there was a significant cut to fuel excise in Australia with average retail petrol prices dropping from a peak of over $2.50 per litre in late March to a low of under $1.60 per litre in late June – a drop of over 90 cents per litre (-37%).*
>
> *"These developments saw monthly Inflation Expectations drop from the peak of 7% in April, down to 6.3% in May 2026, 6% in June 2026, and a low of 5.6% in July 2026 – the lowest monthly rate of Inflation Expectations since before the Iran War started in February 2026 (5.3%).*
>
> *"However, since Inflation Expectations bottomed at 5.4% in mid-July, the cut to the fuel excise was ended in two stages and restored to its full value in early August. This has led to Inflation Expectations increasing in six out of the last seven weeks since mid-July – now at 6.1% in late August.*
>
> *"Importantly, since the fuel excise cut begun to be wound back, average retail petrol prices have rocketed higher, up by over 40 cents per litre since late June and now averaging over $2 per litre so far during the month of August – driving Inflation Expectations higher.*
>
> *"The moderation of inflation pressures in the economy over the three months from mid-April to late June meant the Reserve Bank (RBA) raised interest rates only once during this period – in May up 0.25% to 4.35%.*
>
> *"However, the recent spike in petrol prices (up 42 cents per litre since late June), as well as the rapid increase in Inflation Expectations – now up for six out of the last seven weeks, is putting renewed pressure on inflation estimates and putting the prospect of additional interest rate increases by the RBA back in focus in the months ahead.*
>
> *"The Reserve Bank is set to meet again in late September to consider the level of interest rates."*

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 August 2016 – July 2026 and includes interviews with 4,167 Australians aged 14+ in July 2026.

**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.

## 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.

**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 – 2026)**

| 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 | 4.9 | 5.0 | 5.1 | 5.5 | **4.9** |
| **2026** | **5.5** | **5.3** | **6.3** | **7.0** | **6.3** | **6.0** | **5.6** | | | | | | **6.0** |
| **Monthly Average** | **4.8** | **4.8** | **5.0** | **5.0** | **4.8** | **4.9** | **4.9** | **4.8** | **4.8** | **4.8** | **4.8** | **4.8** | **4.9** |

**Overall: Roy Morgan Inflation Expectations Average: 4.9**

## 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 |

**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%.

**RBA – Interest rate increasing cycle (2026):**

**2026**
February 2026: +0.25% to 3.85%;; March 2026: +0.25% to 4.10%; May 2026: +0.25% to 4.35%.