



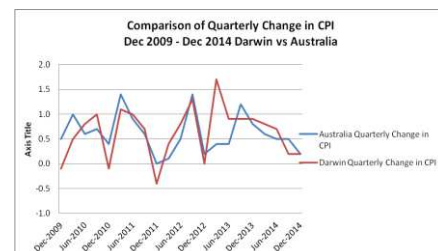
MEDIA RELEASE

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NT inflation rate down but benefits not evenly shared

A new report by the Northern Territory Council of Social Service shows that while the inflation has slowed in Darwin, the benefits of this are not enjoyed by all households across the NT. The 7th NT *Cost of Living Report* released today reveals that the past year (to December 2014) in Darwin has seen generally small increases in the CPI for many expenditure areas and even some downward trends for others.

Over the past year, the overall CPI increase for Darwin was 1.9%, compared with 1.7% nationally (the lowest yearly CPI increase for both since June 2012). But the recent slowdown in the rate of CPI increase in Darwin must be seen in a longer term context, where fluctuations can be volatile – and often mirror what is happening nationally.



Transport costs have gone down in Darwin over the past 12 months, largely driven by the 6.8 % decrease in the CPI for fuel. “This is very significant as it reduces the pressure on many low income households in the NT, who are able to benefit from the drop in fuel price”, stated Mr Jonathan Pilbrow, Policy Advisor for NTCOSS. The price reductions in the NT have resulted from the decrease in global oil prices; as well as the fuel summit led by the Northern Territory Government late last year, which led to a drop in prices in the Top End.

The housing CPI rose slower than is usually the case in Darwin, increasing 1.4% over the past year, compared with 7.3% for the previous year, while utilities only increased by 0.2 % and clothing and footwear decreased by 0.2%.

While CPI figures are significant, these broad figures can mask the impacts experienced by some regions or sectors of the population”, said Mr Pilbrow. Previous Cost of Living Reports have highlighted the pressures faced by low income and disadvantaged Territorians in terms of high housing, transport (especially fuel) and food costs.

Darwin residents were the biggest beneficiary of the drop in unleaded petrol prices, with smaller percentage reductions in price in 2014 occurring in Katherine, Tennant Creek and Alice Springs. In addition, the slowing of the housing CPI increase (1.4 %), provided less benefit for households who are renters, as the rent CPI went up at nearly double this rate (2.7%). “Rent increase disproportionately hurt lower income households, who are more likely to be renters”, stated Mr. Pilbrow.

While the CPI for food increased by 2.4% in the past year, the NT Government’s Market Basket Survey (2014) revealed that food prices in remote stores increased by 5% in the past year, while the same goods in a district supermarket rose by less than 1%. This means that households in remote areas (where incomes are generally lower) are still paying around 50% more for their food when compared with prices in a supermarket in a major centre. In light of this NTCOSS reiterates its call for the NT Government to establish a Food Summit, following on the success of the Fuel Summit, to address this critical issue.

Even with the encouraging CPI figures, and the positive economic outlook predicted for the Territory, significant cost of living pressures remain - and these require some long term sustainable measures as a matter of urgency.

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