28 July 2005

**Inflation figures means $20m shortfall in Budget**

The Northern Territory public service is facing budget shortfalls and possible job losses after yesterday’s release of the Consumer Price Index (CPI).

The Labor government forecast an inflation (CPI) rate of 1.9% for their 2005/06 Budget but yesterday’s figures show that the current inflation rate is 2.6% for the year.

The 0.5% difference will mean a shortfall in the whole Budget of around $20 million.

Opposition Treasurer Terry Mills demanded the Labor government come clean and confess to Territorians where cut backs will be made and to flag where jobs will be cut.

“In the lead up to the election, Labor was crowing about the low inflation rate. This is now another classic case of saying and doing anything to get re-elected.

“The problem is though, Territory families and businesses will suffer from Labor’s rash promises. On top of price increases across the board, Territorians will now face a reduction in services and public servants will face the possibility of losing their job.

“If Labor were honest they would have calculated an inflation rate that was based upon facts, not short-term political gain.”

Ends