

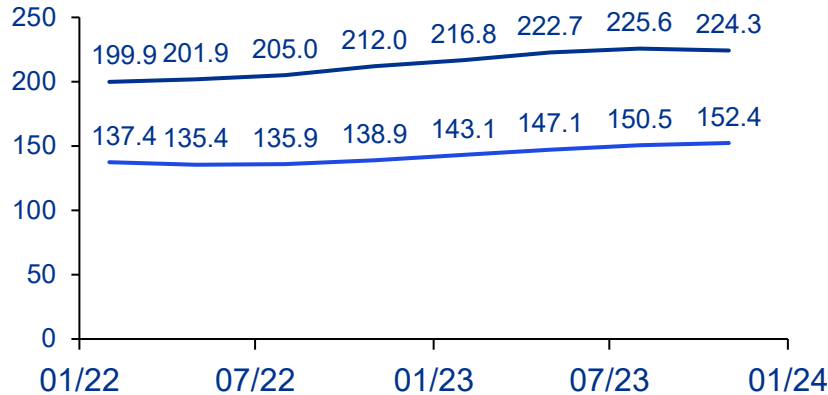
Newcastle cost of living

City of Newcastle, March 2024

Workforce

Significant workforce growth in the Newcastle LGA suggests positive economic trends, while stable indicators of full-time to part-time employment conversions indicate stability in cost of living factors.

Over the past 2 years both Newcastle and Lake Macquarie and Hunter Valley have experienced **strong growth, greater than 10%** in terms of the total workforce¹.



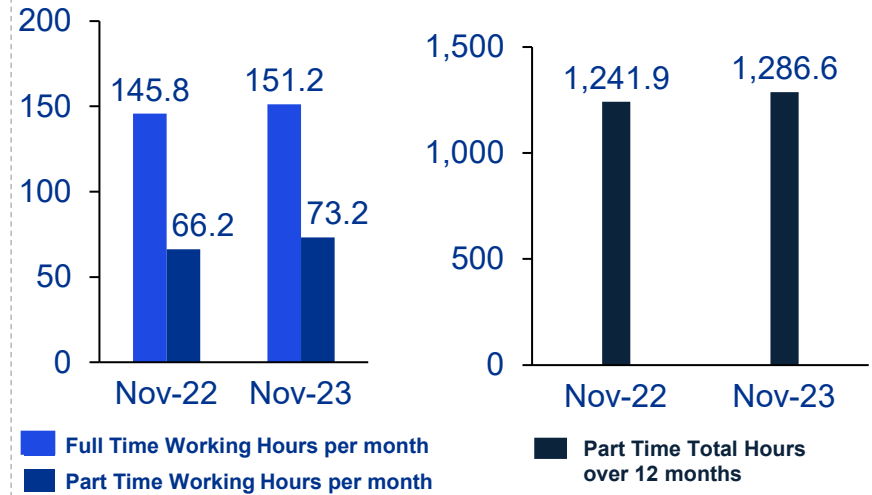
— 111 Newcastle and Lake Macquarie
 — 106 Hunter Valley exc Newcastle

¹ABS Census data, 2016; 2021

²ABS Labour Force data, September 2023

³ABS Census data, 2016; 2021

Shifts from full-time to part-time work²



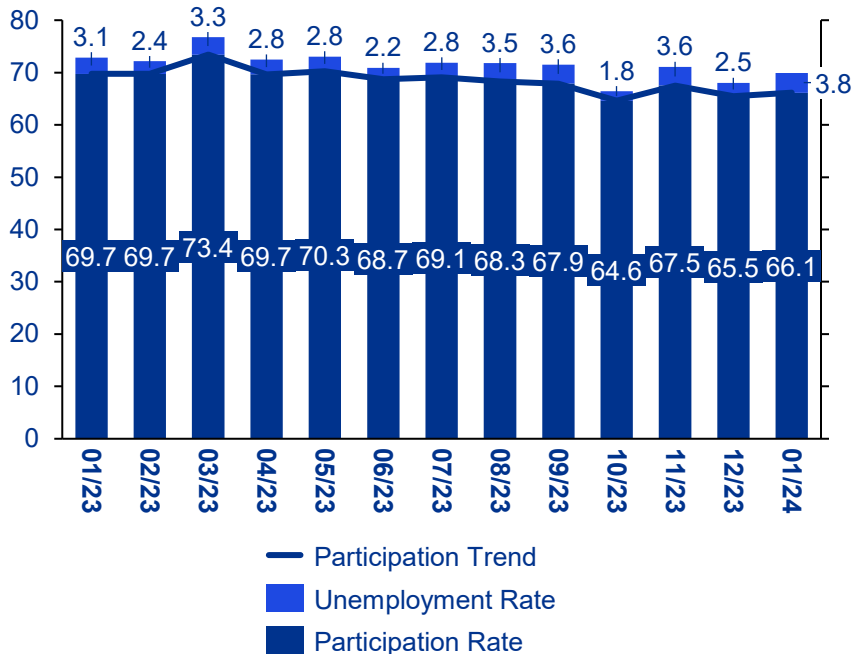
2.1% ↑ More people are working part-time

Fewer people are working full-time³ ↓ **1.4%**

Employment

Increasing income and decreasing unemployment in the Newcastle LGA shows positive signs, however, the cost of living remains higher than ever before.

We are seeing **relatively steady participation and unemployment** over the past 12 months in Newcastle and Lake Macquarie¹



12 year low

Unemployment in the Hunter²

4%

September 2022

Hunter Valley (excl Newcastle)

3.2%

September 2023

24 year low

Unemployment in Newcastle and Lake Macquarie²

3.9%

September 2022

Newcastle and Lake Macquarie

3%

September 2023

¹ABS Census data, 2016; 2021

²ABS Labour Force data, September 2023



Housing and Income

Rental and mortgage payments are growing as housing supply slows and residents spend more of their income on housing and bills.

Rentals in the Newcastle LGA are becoming increasingly **unaffordable with the median increasing 12% over 2 years¹**



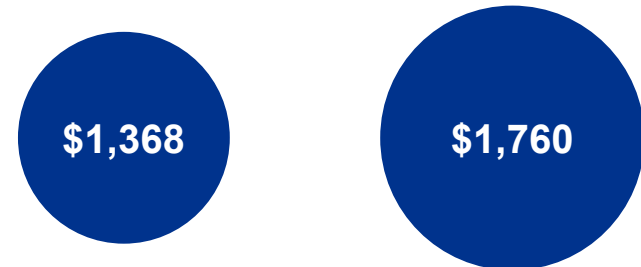
1% Rental vacancies are at their lowest level in 9 years³

Since the rate hikes began

\$1,210

in **additional monthly repayments** for a family with a \$500,000 mortgage at 4.35% cash rate²

Median weekly income for households rose **29%** from 2016 to 2021 in the Newcastle LGA⁴



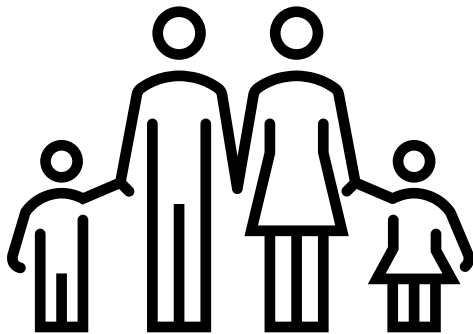
¹Rental prices per week, NSW Government Rent Report, DCJ Statistics 2023; SGS Economics and Planning – Rental Affordability Index, November 2022

²Including the rate rise on Tuesday 7/11/23. This is 13 rate rises in total since May 2022

³Domain.com, January 2023

⁴ABS Census data, 2016; 2021

Meet Stephanie, Simon and their kids 7 and 9

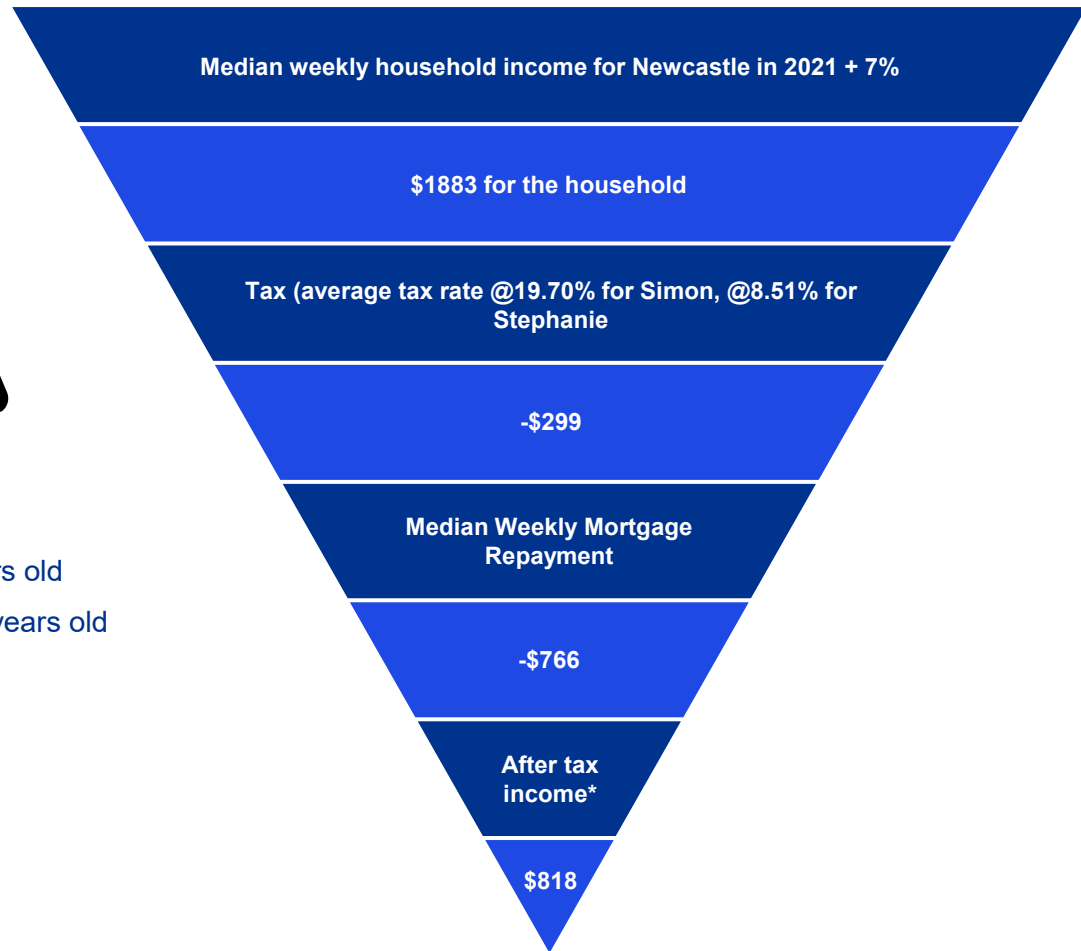


Simon: Engineer (Full-Time), 35 years old

Stephanie: Teacher (Part-Time), 33 years old

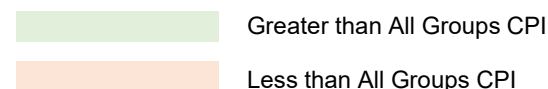
Assumption:

- Mortgage: \$500,000
- Loan Type: Owner occupier
- Interest Rate: 6.18%
- Length of loan: 25 years



Inflation

Housing, food, transport, Insurance and health costs remain high while furnishings and clothing stay relatively low.



Goods/ services	Quarter %change (September 2023)	Annual %change (September 2023)	Quarter %change (December 2023)	Annual %change (December 2023)
All groups CPI	1.2	5.4	0.6	4.1
Food and non-alcoholic beverages	0.6	4.8	0.5	4.5
Alcohol and tobacco	1.4	4.9	2.8	6.6
Clothing and footwear	0.4	0.9	0.5	-1.1
Housing	2.2	7	1.0	6.1
Furnishings, household equipment and services	-0.8	2.5	-1.0	-0.2
Health	0.8	5.4	0.6	5.1
Transport	3.2	5.6	-0.2	3.7
Communication	2.1	1.3	0.4	2.2
Recreation and culture	0.2	5.6	0.3	0.5
Education	-0.4	4.8	-0.1	4.7
Insurance and financial services	1.4	8.6	1.7	8.1

ABS Consumer Price Index, September 2023

How Councils can help with Cost of Living

01

Promote Rate Payments Assistance Programs

Offer flexible payment plans or assistance programs to help residents manage their property rate payments during times of financial strain. This could include options for deferred payments, payment extensions, or income-based payment plans.

04

Community Engagement and Collaboration

Foster community engagement and collaboration by working with local organisations, non-profits, and stakeholders to identify and address the specific needs of residents struggling with mortgage repayments or housing affordability..

02

Community Support Services

Emphasise the value of library services as a cost-effective resource for residents. Encourage community members to utilise library resources such as free internet access, educational programs, job search assistance, and access to books, movies, and other media at no cost.

05

Education and Financial Literacy Programs

Seek partnerships to co-offer educational workshops and share resources on financial literacy, budgeting, and debt management to empower residents to make informed financial decisions and manage their expenses effectively.

03

Promotion of Public Transportation

Invest in public transportation infrastructure and promote alternative modes of transportation to reduce transportation costs for residents.

06

Support for Local Businesses

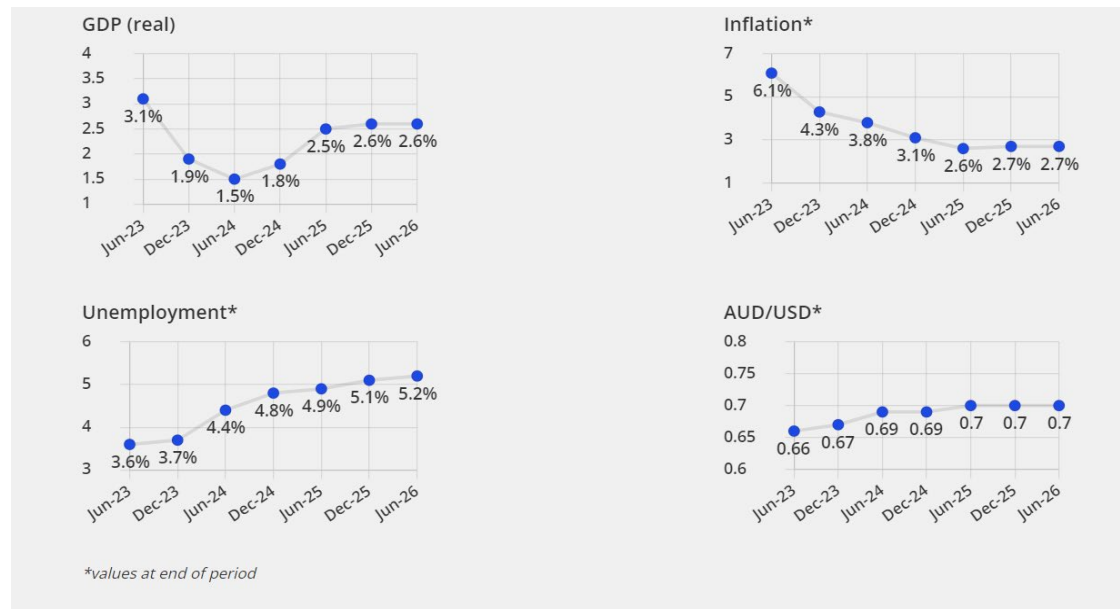
Implement initiatives to support local businesses and encourage economic growth, such as small business grants and business development programs.

Economic outlook - Domestic

The Australian economy continues to show surprising strength and resilience in a world of growing tensions. A lower cash rate, inflation continuing to track down as expected, and higher population growth has resulted in a slight revision upwards in our macroeconomic forecasts.

Australian Economic Outlook – Q4

- The domestic economy is in the middle of an inflation-induced downturn, but the worst of it is expected to pass shortly and a recovery likely in H2 2024.
- The September quarter GDP figure of 0.2 percent growth – down from 0.4 percent in the June quarter – was weaker than expected and confirms the impact of the interest rate rises over the past year in slowing the economy.
- Domestic demand lifted slightly during the third quarter, but this was mostly propped up by public sector spending and investment. Household consumption remained flat, while private sector investment activity was weak but at least positive, driven primarily from the recovery in non-dwelling construction activity.
- The increase in migration would continue to help address some of the tightness in the labour market. As a result, we expect the unemployment rate to gradually rise from its current low levels to reach the natural rate of unemployment by mid-2024.



Economic outlook – Global

Headline inflation has peaked across most advanced economies, but persistent core inflation has continued to cause headaches for monetary policymakers.

- Since mid to late 2022, headline inflation has dropped steadily in most advanced economies, mainly driven by falling energy and food prices and the easing of supply chain disruptions. The rapid monetary policy tightening cycle has also been playing a role in disinflation by taking some heat off the demand side.
- Fiscal policies are also anticipated to be tightened in advanced economies as higher interest rates have made the costs of servicing debt expensive.
- There has been a noticeable change in trade patterns, including a smaller proportion of intermediate goods being traded, and fewer intermediate goods being sourced from Asia. A continued rise in geopolitical tensions and a drive towards reshoring production for essential goods are key reasons for this trade fragmentation.
- Do not underestimate the impact democratic elections in the world's largest democracies have the potential to have on world economies



Delhi Lok Sabha Elections 2024: As the Lok Sabha Elections of 2024 draw near, the [political landscape in Delhi](#) is heating up with intense competition

Indonesia's Presumed President Prabowo Promises 'Very Smooth' Transition of Power

By Reuters | March 4, 2024, at 9:57 p.m.



GALLERIES

POLL POSITION | UPDATED MAR. 3, 2024

Biden vs. Trump Polls: Joe's Battleground Problem

By Ed Kilgore, political columnist for *Intelligence* since 2015



Photo-illustration: Intelligence; Photos: Getty Images



UK politics | [Add to playlist](#)
Rishi Sunak could use Budget to call snap May UK election, warns Labour

© 2024 Thomson's office used for and Labour were prepared for what was both Sunak and Labour have announced - including taking Labour's flagship issue. © ITN Images/Getty Images