



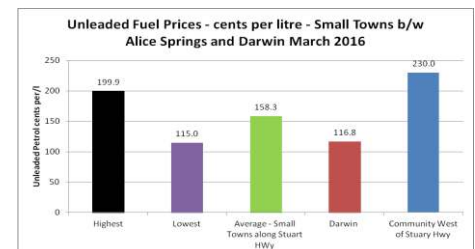
## **Benefits of low CPI not all seen remotely**

**A new report by the Northern Territory Council of Social Service (NTCOSS) shows Darwin's CPI over the past year has been low at only 0.5%, compared with the national rise of 1.7%, though the last two quarters for Darwin (0.3% and 0.4%) are higher than the two quarters prior (0.0% and -0.2%).**

The 11<sup>th</sup> NT *Cost of Living Report*, released today, reveals clothing (-0.2%), rent (-2.7%) and overall transport prices (-2.6%) in Darwin all went down, and the CPI for food was 0.0% in Darwin over the past year.

The main reason for the fall in the costs of transport in Darwin has been a continued drop in the CPI for fuel. Darwin fuel prices have gone down 17.2%, nearly double the rate of the 8.7% decrease in the CPI for fuel nationally over the past year. While not reflected in the CPI data, other sources reveal that fuel prices have also gone down significantly in Katherine (14.9%), Tennant Creek (12.9%) and Alice Springs (16.3%) over the past year. These price changes represent some good news for many Territorians in these areas.

There have been significant decreases in fuel prices in Darwin and the major regional centres over the last couple of years, but fuel costs outside the major centres are generally much higher, with households in some remote areas paying twice as much for fuel as households in Darwin.



In addition there have been CPI rises in some key areas such as utilities up 4.9%, due to the rises in electricity (5.0%) and water and sewerage costs (5.1%) over the past year ending December 2015. Health costs in Darwin (5.4%) rose over ten times the Darwin CPI (0.4%) over this period, largely due to the 6.5% increase in medical, dental and hospital Services.

Jonathan Pilbrow NTCOSS Policy Advisor said,

“Price increases in these critical expenditure areas continue to place great strain on lower income households, and cannot be ignored. A low CPI in Darwin doesn’t mean a low CPI for all goods and services and doesn’t reflect what prices are doing in other parts of the Territory”.

“While food prices remained stable in Darwin, we know that households in remote areas pay around 50% more for the same goods when compared with a family shopping at a Darwin supermarket.

“The situation is especially hard for those trying to budget on the Newstart Allowance of just \$36 a day. Currently the **Newstart Payment is more than \$167 per week lower than the Pension for a single person**. It’s crucial the Federal Government raises this payment, especially since it hasn’t increased in real terms since 1994”.

*NTCOSS calls for greater efforts by both the NT and Federal Governments, particularly around remote food and fuel prices, to ensure the Territory continues to be a great place to live for all Territorians.*

**For media comment:** Jonathan Pilbrow, NTCOSS Policy Advisor 0403 611 815



## *Recommendations*

NTCOSS calls on the NT Government to:

1. Investigate the price disparity between petrol prices in remote areas and larger regional centres
2. Commence a process for the development of a forum for addressing remote food pricing in the NT, to establish engagement between community, industry, research bodies and government to address price disparities between major supermarkets and remote and corner stores.
3. Address transport issues<sup>1</sup> which impact on the cost of food for households in the NT – including support of local transport solutions in regional and remote areas, which assist community members to access stores where there is greater variety and cheaper prices.<sup>2</sup>
4. Work with the Federal Government in relation to increasing Newstart Payments by \$50 per week.

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<sup>1</sup> Refer also to the Recommendations in the NTCOSS (2014) Cost of Living Update, No.3, April 2014 (Transport)

<sup>2</sup> For example, the Tennant Creek Transport service assists in transporting community members to the town supermarket, which helps reduce reliance on smaller fast food outlets or petrol stations for access to food.