



Ten Year Snapshot of Cost of Living Changes in the NT

A new report by the Northern Territory Council of Social Service (NTCOSS) reveals that cost of living pressures have increased markedly in a number of key areas over the past decade.

The 12th NTCOSS *Cost of Living Report*, released today, reveals electricity, water, insurance, rent prices, education and health costs have all gone up well above the generic CPI ('All groups') for Darwin of 30% for the last ten years.

Electricity prices have risen by 86%, water by 154% and insurance by 72%. Rent prices have risen by 66%, education by 53%, and health costs by 50% during this time. These large rises have occurred despite the slowing in the overall growth of the generic CPI for Darwin over recent years, with the Darwin 'All groups' CPI of -0.3% over the past year being much lower than the national CPI rise of 1.3% over the same period.

At the same time over the past decade there has been an overall slowing in CPI growth, and even significant decreases in some CPI categories. A number of CPI categories have been below the 'All groups' CPI for Darwin, and even displaying negative growth, such as food (25.6%), clothing (-2.7%), transport (14.7%, including fuel (-2.9%)), communications (-3.6%), furnishings, household equipment and services (14.3%) and recreation and culture (2.3%).

"Where price rises occur for essential items of expenditure such as rent, electricity and health, these are likely to have a greater impact on low income and disadvantaged Territorian households, as these items require a greater proportion of weekly income for these households", stated Mr Jonathan Pilbrow, Policy Advisor for NTCOSS.

These concerns are also reflected in the national figures for the past decade which reveal that the rise in the costs of goods actually purchased by age pension households (up 30.3%) and other income support payment recipients (up 32.6%), have risen above the cost of goods for employees (26.9%) or self funded retirees (27.8%).

"Price increases in critical expenditure areas continue to place great strain on lower income households, and cannot be ignored. And while a low or steady rate of CPI over the past decade may seem like good news, not all Territorian households are enjoying the benefits of this, as the overall CPI 'All groups' figure doesn't reflect what prices are doing for particular categories of goods and services or in other parts of the Territory", stated Mr Pilbrow.

In addition, low fuel prices in Darwin, as well as in the other major centres, are not being enjoyed by Territorians in remote communities, where in some remote areas fuel costs twice the price as it does in the Top End. The same is true of food, where people in remote communities have been paying at least 40% more (and as high as 53% more) when compared to prices for the exact same goods in a Darwin supermarket, over the last 5 years.

One very telling statistic is that the average price of dairy products in remote community stores have increased by around 170% since 2005, according to NT Government figures, but this has occurred while dairy prices in Darwin have actually dropped. Examination of what is driving the much higher food prices in remote areas is urgently required.

In addition, NTCOSS continues its call for an increase in the base rate of the Newstart Allowance, which at the moment lags behind the Age Pension (and the Disability Support Pension) by \$167 per week.

NTCOSS calls for greater efforts by both the NT and Federal Governments, particularly around remote food and fuel prices as well as concessions and subsidies for electricity and rent, and a rise in the rate of Newstart by \$50 per week, to ensure that the NT continues to be a great place to live for all Territorians.

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Recommendations: NTCOSS calls on the Northern Territory Government to:

1.1 Make changes to the NTPCCS in relation to electricity, water and sewerage concessions – including:

- Extending the electricity, water and sewerage concessions to all health care card holders (see also Rec. 8.1)
- Imposing a cap on concessions based on consumption levels (electricity and water)
- Improved marketing and support for customers, incl. prepayment (electricity) customers, to access concessions

1.2 Provide mechanisms to enable low income households to improve energy and water efficiency, such as:

- Incentives for private and public housing landlords to improve energy and water efficiency; and
- Low-interest loans and/or more rebates for solar power, solar hot water accessible to low income households.

2.1 Commence a process for the development of a forum for addressing 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.

2.2 Establish timeframes and targets to reduce the price of fruit and vegetables down to the Darwin supermarket average.

2.3 Address transport issues 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.

3.1 Formally investigate the price disparity between petrol prices in remote areas and larger regional centres.

4.1 Increase health funding towards preventative and early intervention measures to reduce the high costs borne by the medical and health system

4.2 Amend the Patient Assistance Travel Scheme to improve access to health services, including coverage of dental services

In conjunction with the Commonwealth Government,

5.1 Adopt Recommendation 4 from the 2013 Senate Environment and Communications References Committee that disincentives to insurance, such as taxes and levies applied by the states and territories, should be removed as part of a national reform process.

5.2 Increase the proportion of spending on risk mitigation initiatives relative to post disaster recovery and reconstruction.

5.3 Implement Recommendation 8 from the SSCEC (2013) to ensure that all facilities caring for vulnerable groups, in particular hospitals, schools, childcare and aged care facilities, have emergency management plans, relevant to their geographic settings, in place and regularly revised.

6.1 Adopt NT Shelter Recommendation (4):

- b) The NT Treasury set aside allocations each financial year, for at least 5 consecutive years, from the NT Infrastructure Development Fund to: i. finance affordable housing provision through support to our fledgling community housing sector in urban and regional centres;
- ii. finance the establishment of a number of regional Aboriginal community housing organisations to grow and meet demands to maintain and manage social housing beyond the Remote Indigenous Housing Strategy; and
- iii. support Aboriginal Housing NT to ensure Aboriginal community leaders can contribute to improving housing options (NT Shelter 2015, p.5); and

6.2 NT Shelter Recommendation (5):

Roll out a cyclical maintenance program linked to local Aboriginal community workforces throughout the NT to extend the longevity of the NT's social housing stock, at the same time lessening social housing vacancy periods (NT Shelter 2015, p.5).

6.3 Urge the Commonwealth Government to increase and index Commonwealth Rent Assistance to match rises in rental prices – taking into account regional differences.

7.1 Review public bus routes and timetables to facilitate a more effective service – and reduce the significant reliance on taxis and minibuses for many low income Territorians. Consider free off-peak public transport for concession and health care card holders.

7.2 Further support and fund the development of self sustainable community transport options so local transport/support services can be developed in towns and in regional and remote areas.

7.3 Make improvements to road infrastructure as current poor road conditions in many areas causes significant wear and tear on vehicles which travel in and out on a regular basis, and poor road conditions contribute to safety issues as well.

8.1 Review the eligibility criteria for access to the NT Pensioner and Carer Concession Scheme (NTPCCS) to ensure so that those who are most disadvantaged are able to access the scheme. This would include all those who are on the Newstart and Youth Allowances (*see also Electricity and Water section*).

8.2 Build in regular indexation to relevant concessions (based on price reviews) to ensure such concessions keep pace with rising living costs, e.g.

- NTPCCS concessions such as the Motor Vehicle Registration Fee Concession;
- PATS concessions such as the commercial accommodation subsidy, private accommodation subsidy and fuel subsidy;
- the NT Taxi Subsidy Scheme (NTTSS)

9.1 Urge the Commonwealth Government to increase the base rate of the Newstart Allowance by \$50 per week.