

## Poverty in the Northern Territory – the Facts

### The Northern Territory has the deepest rates of poverty in Australia.

The deepest poverty levels in Australia are found in the NT, where nearly 45 per cent of all Aboriginal households are living below the poverty line.<sup>1</sup> The greatest disparity between Indigenous and other households (nearly 35 per cent) is also found in the NT.

### Income inequality in the Northern Territory is deepening.

When income levels are adjusted for inflation<sup>2</sup> between 2011 and 2016, the situation in the NT has deteriorated: the median personal income for Indigenous individuals declined from \$296 to \$281 per week, while for other individuals that figure increased from \$1018 to \$1072.<sup>3</sup>

### People on low incomes and in remote communities are struggling to meet their basic needs for housing, food and energy.

The Northern Territory has the highest rate of people experiencing homelessness in Australia: 12 times the national average rate of homelessness.<sup>4</sup>

Food security is also an increasing concern, with people in remote communities facing excessive costs for healthy food: in 2019, the same basket of healthy food on average costs \$319 or 60 per cent more in a remote community store than a major supermarket – this gap has widened from 22 per cent in 2012.<sup>5</sup>

Energy poverty is also an increasing concern in the Territory as people on low incomes struggle to afford the shift to energy efficient appliances and home upgrades to reduce their power bills.

The cost of living is going up for those who can least afford it.<sup>6</sup>

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<sup>1</sup> Land Rights News – Northern Edition in School of Regulation and Global Governance, 2017, 'Deepening Indigenous poverty in the Northern Territory', Australian National University ([online](#))

<sup>2</sup> 10 per cent.

<sup>3</sup> Land Rights News – Northern Edition in School of Regulation and Global Governance, 2017, 'Deepening Indigenous poverty in the Northern Territory', Australian National University ([online](#))

<sup>4</sup> Australian Bureau of Statistics, Census of Population and Housing: Estimating homelessness, 2016 ([online](#))

<sup>5</sup> NTCOSS Cost of Living Report 2019 ([online](#))

<sup>6</sup> Ibid.

## What we can do

Poverty doesn't need to exist. There are actions the Federal and Northern Territory Governments can take to reduce poverty and help people who are struggling.

### 1. Raise the Rate of Newstart and other income support allowances

Nearly one million Australians receive Newstart or related income support payments. They include young people making the transition from study, single parents of school-age children and older Australians.

In the Northern Territory, we have the highest proportion of people on Newstart: in 2018 there were approximately 15,000 Territorians on Newstart and 2,000 young Territorians receiving Youth Allowance.

Income support helps people get by while they are looking for work. Some people also receive income support to help them get by while they are studying or training, caring for children or dealing with injury or illness. It is a payment to help people get through the tough times – which for some people, may take a while, particularly when jobs are limited in the place where you live.

While the cost of living has increased, there has been no increase in real terms to Newstart in 25 years, leaving people to struggle to get by on \$40 a day – that equates to less than \$15,000 a year.

Could you live on \$40 a day?

Helping people who are struggling will help our economy: if Newstart and Youth Allowance were to be raised by a minimum of \$75 per week, the Territory economy would be lifted by \$58 million in the first year alone.<sup>7</sup>

**ACTION:** Call on the Federal Government to Raise the Rate of Newstart (along with Youth Allowance and other related payments) by a minimum of \$75 per week and index allowances to wage growth.

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<sup>7</sup> NTCOSS, 2018, Cost of Living Report – Issue 21

Australian Council of Social Service (ACOSS) 2018b Media Release, Raising Newstart and Youth Allowance would boost jobs, wages and inject millions into local communities, 17 September 2018

## 2. Reform employment services to provide more help and less hassle for people looking for work

Looking for work isn't easy: there aren't enough jobs for everyone, with one job available for every eight people looking for paid work, and a rapidly changing labour market that can leave many people, particularly older workers, left behind. In remote Aboriginal communities in the NT, it is particularly difficult: the 2016 Census found that the employment rate of Indigenous people in remote areas (between the ages of 15-64) was 35.2 percent, compared with a non-Indigenous rate (nationally) of 71.5 percent.<sup>8</sup>

Jobactive is the Australian Government's employment service for people in cities and regional; the Community Development Program is the remote employment service.

High caseloads make it difficult for Jobactive staff to provide real help: on average, there is one Jobactive consultant to 148 people seeking work. In return for limited help, jobseekers have to keep up with a number of obligations or risk losing their payments. The requirements for people on CDP is more onerous than for jobseekers in urban areas, with little consideration for the reality of people's lives in remote communities. On top of this, CDP participants receive substantially less for their work than the minimum wage.<sup>9</sup>

Despite trying to meet all these obligations, many people accessing employment services are still struggling to find work: in August 2018, two-thirds of people in Jobactive had been in the system for more than 12 months and a recent government-commissioned report found one in five people have been in the system for more than five years.<sup>10</sup>

Rather than a narrow focus on compliance, employment services should offer people individualised support, focused on developing their vocational skills and work readiness, to help people find meaningful work, and the support they need to maintain that work.

Remote communities need community-led programs that create jobs on community, giving people the opportunity to work for fair pay and conditions on projects that their community need.

**ACTION:** The Federal Government improve employment services to help people find work, by:

- Replacing the compliance-focused Jobactive model with a fairer model of employment services that gives people the time and support they need to find meaningful work.
- Replacing the Community Development Program with a model in line with that proposed by the Fair Work Strong Communities Alliance that create more jobs in remote communities, reduce poverty, and empowers Aboriginal and Torres Strait Islander peoples to make decisions for their own communities.

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<sup>8</sup> Venn, D. & Biddle, N. (2017) Employment Outcomes. 2016 Census Papers. Paper No 5. CAEPR, ANU.

<sup>9</sup> <https://www.acoss.org.au/wp-content/uploads/2016/06/170609-Submission-to-CDP-inquiry-FINAL.pdf>

To update reference: now it is \$14.41 an hr compared to minimum wage of \$18.93]

<sup>10</sup> Employment Services Expert Advisory Panel, I Want to Work: Employment Services 2020 ([online](#))

### 3. Ease cost of living pressures and help people meet their basic needs for housing, food and energy

Many people in the Northern Territory are struggling to have their basic needs met: for shelter, food and energy.

We have the highest rate of people experiencing **homelessness** in Australia.<sup>11</sup> If you are Aboriginal in the Northern Territory, there is a one in five chance you will be experiencing homelessness; if you are a young person (under the age of 18) there is a one in six chance. The need for help is great, yet almost one in two people gets turned away from support services due to a lack of resources.<sup>12</sup>

Our high rates of homelessness include a very high number of people living in overcrowded housing: in 2014, 52 per cent of all Aboriginal people in the Territory were living in overcrowded houses. Poor living conditions, whether that is living severely overcrowded home, couch surfing, living in supported accommodation or sleeping rough makes it difficult to stay healthy – a lack of access to washing equipment for clothes, people and food make people more susceptible to communicable diseases like trachoma, bacterial ear infections, scabies and Rheumatic Heart Disease. There is also a link between lower housing standards and lower school attendance in remote communities.<sup>13</sup>

The NT also has the worst Residential Tenancies protections in Australia.<sup>14</sup> With over 50 per cent of residents in the Northern Territory living in arrangements managed by the *Residential Tenancies Act* (The greatest rate of all Australian jurisdictions<sup>15</sup>), it is critical that these protections are strengthened to ensure tenants on low incomes are not subject to arbitrary evictions, uncapped rental increases and discriminatory practices.

**Food security** is also an increasing concern for people in remote communities. Despite efforts in recent years to improve access to affordable food in remote areas through licensing schemes and improved store infrastructure, the cost of healthy food in remote stores is extraordinarily high compared to the cost big supermarkets in the major centres: a gap of 60 per cent (or \$319 more). This means people in remote communities are likely to eat more of the high calorie, nutrition-poor foods sold cheaply in remote stores (like meat pies, potato chips and sugary drinks) – contributing to a double burden of malnutrition and obesity.<sup>16</sup>

The Territory, like the rest of Australia, is also experiencing a growing **energy efficiency gap**, with people on low incomes are less able to afford investment in energy efficient appliances, home upgrades, and rooftop solar panel to reduce energy costs.<sup>17</sup> As average temperatures increase with climate change,

<sup>11</sup> Australian Bureau of Statistics, Census of Population and Housing: Estimating homelessness, 2016 ([online](#))

<sup>12</sup> NT Shelter (2019) Homelessness in the NT Factsheet ([online](#))

<sup>13</sup> Silburn S, et al., Unpacking Educational Inequality in the Northern Territory, in Research Conference 2014: Quality and Equity. 2014.

<sup>14</sup> page 3, <https://ntshelter.org.au/wp-content/uploads/2019/09/NTS-RTA-submission-2019.pdf>

<sup>15</sup> 50.3% of all dwellings in the NT rented compared to 30.9% nationally in 2016; 49.1% compared to 29.6% nationally in 2011. Of occupied private dwellings in Northern Territory, 15.3% were owned outright, 29.6% were owned with a mortgage and 50.3% were rented compared with an average of 30% for the rest of Australia (ABS 2016).

<sup>16</sup> Stuckler D, McKee M, Ebrahim S, Basu S (2012) Manufacturing Epidemics: The Role of Global Producers in Increased Consumption of Unhealthy Commodities Including Processed Foods, Alcohol, and Tobacco. PLoS Med 9(6): e1001235. doi:10.1371/journal.pmed.1001235

<sup>17</sup> ACOSS (2013) Energy Efficiency and People on Low Incomes: Improving affordability ([online](#))

people on low incomes are likely to suffer the heat more, being more likely to have poor quality housing and less likely to afford to cool their homes.

Last year the NT Concessions Scheme was reformed to separate cost of living concessions from incentives for seniors. However the new scheme, introduced in June 2018, excludes a large number of other households also on low incomes, and the Northern Territory remains the only jurisdiction in Australia that does not pass on its electricity concession to Newstart and Youth Allowance recipients.<sup>18</sup>

**ACTION:** The Federal Government and Northern Territory Government

That the Federal Government:

- Commit to a fairer deal for the Northern Territory by providing additional funding for Specialist Homelessness Services, based on need not population size.

The Northern Territory Government:

- Implement *Housing for Health* initiatives across the Northern Territory as a matter of priority.
- Release its plan to increase the supply of social and affordable housing in the Northern Territory.
- Increase household access to energy efficient appliances and renewable energy (including solar).
- Ensure people who meet eligibility criteria are registered for the NT Concession Scheme and extending the NT Concession Scheme to all recipients of Centrelink Health Care Cards (including Newstart and Youth Allowance recipients), prioritising recipients in remote communities.

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<sup>18</sup> See [here](#).