

NTCOSS

COST OF LIVING REPORT

General Update

Tracking changes in the cost of living, particularly for Northern Territorians on low incomes and Northern Territorians experiencing vulnerability and disadvantage

Issue No.31, May 2022

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NTCOSS acknowledge the Traditional Owners of country throughout the Northern Territory and recognise their continuing connection to land, waters and culture. We pay our respects to their Elders past, present and emerging. Aboriginal sovereignty has not been ceded.

NTCOSS would like to thank the Real Estate Institute of the Northern Territory (REINT) for generously sharing their data and reports.

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Glossary

The following is a glossary of acronyms used in this report:

AAA	Australian Automobile Association
ABS	Australian Bureau of Statistics
ACCC	Australian Competition and Consumer Commission
ACOSS	Australian Council of Social Service
CPI	Consumer Price Index
CRA	Commonwealth Rent Assistance
FTB	Family Tax Benefit
NT	Northern Territory
NTCOSS	Northern Territory Council of Social Service
NTG	Northern Territory Government
REIA	Real Estate Institute of Australia
REINT	Real Estate Institute of the Northern Territory
SACOSS	South Australian Council of Social Service
SGS	SGS Economics and Planning
TAI	Transport Affordability Index
UNSW	University of New South Wales

Executive Summary

This report is the latest in the Northern Territory Council of Social Service's (NTCOSS) Cost of Living Report series, tracking changes in the cost of living in the Northern Territory (NT) over the past year, particularly for Territorians on low incomes, and Territorians experiencing vulnerability and disadvantage. Analysis of data regarding changes in prices and cost of living pressures is important work. An in-depth understanding of these changes helps inform the policy and advocacy changes needed to address cost of living pressures and work towards a society that is fairer and more equitable, and an income support system which does not keep people stuck in poverty.

This report focuses on price changes in key expenditure areas, using Darwin, regional NT, Territory-wide and national data. This report starts with an analysis of data from the Australian Bureau of Statistics (ABS), specifically the Selected Living Cost Indexes (SLCIs) and the Consumer Price Index (CPI), to establish a general picture of changes in prices and expenditure over the past year in Australia and Darwin.

Comparisons are also made in this report between these ABS indexes and recent changes in income support payments, to establish how well income support payments are keeping up with cost of living changes. The report then analyses data on transport and housing affordability and fuel prices, to draw attention to the often vast cost of living disparities that exist for residents of the NT's rural and remote areas.

This report reveals that over the past year, significant cost of living pressures have emerged or intensified for Territorians, and at an unsustainable and disproportionate rate in certain areas. Data analysis in this report demonstrates that there have been recent spikes in fuel prices across the NT, along with large increases in rents in most urban and regional settings and transportation costs in Alice Springs. This report also shows that while income support payments have been raised recently, these payments remain disappointingly insufficient, particularly given the rate at which the cost of living is increasing in the NT.

Overall, this report shows that Territorians living on low incomes or on income support payments are experiencing more pressure from everyday expenses, and in some cases being pushed further into poverty. This should not be accepted, and governments can choose to act and introduce changes and concessions to help ease the burden being created by the rising cost of living. As such, this report makes recommendations to the Commonwealth and Northern Territory Governments, regarding evidence-based actions that should be taken to ensure Territorians living on low incomes and income support payments are better supported and protected as the cost of living continues to rise.

Recommendations

Commonwealth Government

To ensure a future in which Territorians on low incomes and income support payments are better protected, NTCOSS recommends the following actions to the Commonwealth Government:

Recommendation 1:

Increase income support, Remote Area Allowance and Commonwealth Rent Assistance in recognition of the high and rising cost of living

The Commonwealth Government should increase:

- the base rate of Jobseeker and related payments to at least \$70 a day, and index payments in line with wages twice a year as well as with CPI¹;
- the Remote Area Allowance, in recognition of the high costs of living experienced by remote area households²; and
- Commonwealth Rent Assistance (CRA) by 50%, to better cover skyrocketing private rental prices, and review CRA overall, as the flat rate used currently does not account for regional and remote rent variations.³

Recommendation 2:

Strengthen and increase employment services in collaboration with affected communities

Work in collaboration with communities to design and implement programs, particularly in remote contexts, that meet the needs of community, foster skill development and create long-term pathways and sustained engagement in the labour force.

NT Government

To ensure a future in which Territorians on low incomes and income support payments are better protected, NTCOSS recommends the following actions to the NT Government:

Recommendation 3:

Expand the NT Concession Scheme

Expand the NT Concession Scheme to include electricity, driver's licence and spectacles concessions for Commonwealth Health Care Card holders.

Recommendation 4:

Improve transport affordability for people on low incomes in the NT

Extend the Motor Vehicle Registration concessions to all Commonwealth Health Care Card holders, establish yearly indexation of the Motor Vehicle Registration concession, establish Aged Pension/ Commonwealth Health Care Card concession rates for users of remote bus services and ensure consistency of bus fare structures across different services.

¹ Working-age payments are currently only indexed in line with CPI; ACOSS 2022a, *Over 60 peak bodies and community organisations call for adequate income support and investment in social housing: the two policy levers to tackle poverty and inequality*.

² The Remote Area Allowance was introduced in recognition of cost of living pressures experienced in remote communities and has not seen any real increase in over 20 years. The Remote Area Allowance must be immediately increased and indexed thereafter.

³ ACOSS 2022a.

Recommendation 5:

Maintain advocacy regarding raising the rate of income support

Continue advocating to the Commonwealth Government to increase income support payments to an adequate level to better support Territorians living on income support payments.

NT Government and Commonwealth Government

To ensure a future in which Territorians on low incomes and income support payments are better protected, NTCOSS recommends the following actions to both the NT and Commonwealth Governments:

Recommendation 6:

Increase social and affordable housing

Commit to sustained investment in affordable, quality housing, specifically subsidised rental housing (including housing with rents set at a maximum of 30% of income), and appropriately targeted affordable home ownership programs.⁴

⁴ ACOSS 2022a.

Introduction

Over the past year, the state of the cost of living has been defined by change and volatility, both in the NT and at the international level. Global events including the ongoing COVID-19 pandemic and the recent invasion of Ukraine have had economic consequences which have trickled down to affect the everyday cost of living for Territorians, reflected in essentials such as fuel prices. Along with these larger spikes in prices, there has also been a steady rise in the cost of most essential goods and services in the NT over the past year. While these increases have been occurring, the Commonwealth Government has continued to ignore evidence-based calls from a broad coalition including the social services sector, Business Council of Australia, and several economists to raise the base rate of income support payments permanently and adequately to a rate that is, at the bare minimum, above the poverty line.

NTCOSS has been regularly releasing Cost of Living Reports since 2013, and this report is the latest in the series. These reports are designed to analyse cost of living trends, particularly those affecting Territorians on low incomes and Territorians experiencing disadvantage, and to establish an evidence base about cost of living issues in the NT and the adequacy (or otherwise) of income support payments. Up-to-date analysis of this evidence base provides critical insight into experiences of financial hardship and vulnerability in the NT and supports advocacy and advice to governments regarding the changes required to work towards a fairer society in which lower income Territorians are not pushed further into poverty by government policy.

This general update report examines changes in the cost of living in the NT over the past year, particularly for Territorians on low incomes, and Territorians experiencing vulnerability and disadvantage, through a focus on price changes in key expenditure areas, using Darwin, regional NT, Territory-wide and national data.

Overall, this report shows that Territorians living on low incomes or on income support payments are experiencing more pressure from everyday expenses, and in some cases being pushed further into poverty. NTCOSS hopes that this report's findings will encourage the development of evidence-based advocacy and encourage action on the policy changes needed to reduce the current financial pressure being experienced by Territorians on low incomes and Territorians experiencing vulnerability and disadvantage.

This report makes several recommendations to the Commonwealth and NT Governments, regarding actions that should be taken to help ensure Territorians on low incomes and income support payments are better supported and protected as the cost of living continues to rise. While governments have limited capacity to influence the prices of expenses such as fuel and rent, they can choose to provide targeted cost of living relief for low income households through the introduction and extension of concessions to help ease the burden being created by the rising cost of living, as repeatedly recommended by NTCOSS in past Cost of Living Reports. Governments can also choose to commit to the development of needs-based programs to foster skill development and facilitate sustained engagement in the labour force.

Ultimately though, the most effective way to ease cost of living pressure is to raise incomes. Therefore, the greatest potential for change in the cost of living space sits with the Commonwealth Government, and its responsibility to act on the continued calls from NTCOSS and many other activists and organisations to immediately raise the rate of JobSeeker and other income support payments adequately and permanently.

About the data

This report uses data from the following sources:

- ABS, Selected Living Cost Indexes (SLCIs)
- ABS, Consumer Price Index (CPI)
- Real Estate Institute of Australia (REIA), Housing Affordability Report
- Real Estate Institute of the Northern Territory (REINT), NT Real Estate Local Market Report (RELM)
- Anglicare Australia Rental Affordability Snapshot National Report
- Northern Territory Government (NTG) Department of Treasury and Finance, Economic Briefs
- NTG, MyFuel website
- Australian Automobile Association (AAA) and SGS Economics and Planning (SGS), Transport Affordability Index (TAI)

Brief explanations of these datasets are included in the body of this report for context. If further detail about these data sources is required, including potential limitations, please refer to the Explanatory Notes.

Currency of data used

NTCOSS has attempted to include the most recent figures available throughout this report to ensure currency of data and commentary about the cost of living situation in the NT. Given the variability in the data sources used for this report, there are some different time periods referred to for some cost of living areas, but for the most part the data used is for the timeframe of December 2020 – December 2021.

Data Gaps

There are major challenges in accessing data for a jurisdiction that is so large and diverse – meaning that Darwin and/or NT average figures cannot represent price or expenditure patterns for regional and remote areas. Some gaps in data within this report are mentioned here.

NT Government Economic Brief fuel price data

Palmerston fuel prices are not included in the Economic Brief fuel data, nor are diesel prices for Katherine, Tennant Creek and Alice Springs (though the Economic Brief fuel data is dependent on what is available through the Australian Institute for Petroleum and the Australian Competition and Consumer Commission [ACCC]).

MyFuel NT data

While the MyFuel NT data provides comprehensive up to date information on fuel prices and covers all remote areas, the price data is limited by the fact that it does not provide ‘weighted average’ data which reflects volume of sales at different prices (while the Economic Brief data does).⁵

Transport expenditure figures for regional areas of the NT

Transport expenditure figures are only available for Darwin and Alice Springs. This data is not available for regional areas, or remote communities. As a result of this limitation, certain disparities, and specifics regarding transport expenditure for rural and remote Territorians will be missed.

Housing data for remote and regional areas of the NT

Rent price figures for Tennant Creek and several other remote and rural areas are not published, so certain disparities and specifics for rural and remote Territorians may be missed.

⁵ NTCOSS 2019, *Cost of Living Report*.

National figures: living cost index for income support recipients (SLCIs data)

Analysis of price movement for goods and services, combined with consideration of recent changes to income support payments, informs an understanding of how well the income support system is assisting low-income households to cope with rising living costs. The ABS' Selected Living Cost Indexes (SLCIs) measure the impact of changes in the cost of living for several population sub-groups.⁶ These groups include age pensioners, other government transfer recipients, employee households and self-funded retirees. In the context of this report, the main population sub-groups of interest are age pensioners and other government transfer recipients, as these groups are most likely to be representative of low-income households and households experiencing disadvantage.

The SLCI figures measure price changes of goods and services, along with the purchasing power of the after-tax incomes of households, and this allows assessment of whether the disposable incomes of households have kept up with cost of living changes.⁷

The ABS considers the SLCIs to be the conceptually preferred method for assessing cost of living changes for Australian households and for assessing the impact of price changes on households with incomes primarily derived from income support payments.⁸ However, the SLCIs are only measured at the national level. As a result, it is necessary to look further at other data sets along with the SLCIs to gain a picture of the changes in cost of living specifically for the NT, particularly rural and remote areas.

For further detail on the SLCIs and potential limitations of this dataset, please see the Explanatory Notes.

Overall, the SLCI figures for every sub-group increased for the December 2020 – December 2021 period (see Table 1).

Table 1: Changes in SLCI figures over the past year (to Dec 2021)⁹

SLCI Sub-group	SLCI change Dec 2020 – Dec 2021
Age pensioners	↑ 3.4%
Other government transfer recipients	↑ 2.7%
Employee households	↑ 2.6%
Self-funded retirees	↑ 3.3%

The ABS found that the main contributor to the rise in the SLCI for all sub-groups was transport costs.¹⁰

⁶ ABS 2022b, *Selected Living Cost Indexes*.

⁷ Ibid.

⁸ Ibid.

⁹ Ibid.

¹⁰ Ibid.

Automotive fuel prices climbed in December 2021 (when this data series ended), and this steep rise in fuel prices (and associated pressure on the cost of living for Territorian households) is a consistent theme throughout this report. Age pensioners had the highest annual SLCI increase (+3.4%). The ABS also found that this sub-group had the highest annual increase in housing costs compared with other sub-groups.¹¹ Overall, the increase in all SLCIs was lower than the national CPI increase of 3.5%.

How well are income support payments keeping up with rising living costs?

The following table outlines the changes in selected income support payments and the minimum wage over the past year and compares these with the changes in SLCI rates. This comparison provides an insight into whether income support payments are adequately supporting households on income support.

Table 2: Selected income rates vs. SLCI Dec 2020 – Dec 2021¹²

Payment type	Change in weekly payment rate vs. SLCI				
	Dec 2020	Dec 2021	Change in income	Change in SLCI (cost of living)	Change in income vs. SLCI change
Age pension, single, no children	\$472.15	\$483.75	↑ \$11.60	↑ \$16.05	↓ \$4.45
JobSeeker, single, no children	\$287.25	\$319.15	↑ \$31.90	↑ \$7.76	↑ \$24.14
JobSeeker, FTB A & B, single, 2 children	\$583.34	\$618.28	↑ \$34.94	↑ \$15.75	↑ \$19.19
Youth allowance, single, no children	\$234.75	\$259.75	↑ \$25.00	↑ \$6.34	↑ \$18.66
Minimum wage, single, no children	\$740.80	\$772.60	↑ \$31.80	↑ \$19.26	↑ \$12.54

¹¹ ABS 2022b, *Selected Living Cost Indexes*.

¹² Services Australia 2020, *A Guide to Australian Government Payments*; Services Australia 2021, *A Guide to Australian Government Payments*; Fair Work Commission 2021, *Awards and Agreements: National Minimum Wage Orders*. Note: this table uses base rates of payments (not including the Coronavirus Supplement for specific eligible payment recipients, which ceased on 31 December 2020).

Table 2 indicates that due to recent increases, almost all income support payments have kept up with changes in the cost of living indicated by the SLCIs. However, the age pension payment has not, as age pension payments did not receive the increase that JobSeeker and Youth Allowance did and remain \$4.45 per week below the cost of living. Additionally, while changes in all other types of income support payments have kept up with the cost of living, the largest increase was an extra \$34.94 a week for a single person on JobSeeker with 2 children. In reality, this increase is insignificant and does not allow for incidences such as emergencies and bigger expenses which may arise.

Income support payments and the poverty line

Overall, Table 2 demonstrates the continued inadequacy of income support payments in comparison to the minimum wage. This inadequacy is also demonstrated by consideration of poverty lines in Australia. The University of Melbourne's Melbourne Institute publishes the main established figures on poverty lines in Australia, using a measure which includes both absolute and relative poverty.¹³ According to the Melbourne Institute, as of September 2021, the poverty lines for the types of households most relevant for this report were:

- **\$836.12 per week for a single parent with two children;**
- **\$496.77 per week for a single person not in the workforce (Age pension recipients); and**
- **\$612.65 per week for a single person in the workforce (JobSeeker and Youth Allowance recipients).¹⁴**

These figures, when compared with the figures in Table 2, clearly show that even with the latest increases, the base rates of income support payments have historically been so low that people relying on income support payments are still having to live well below the poverty line for Australia.¹⁵

Low rates of JobSeeker and related payments

For too long, the base rate of JobSeeker has been below the poverty line, with Youth Allowance even lower, but in 2020 the Coronavirus Supplement temporarily raised income support above the poverty line and changed lives. The additional \$550 per fortnight Coronavirus Supplement made a significant impact on the lives of recipients, with people reporting an increased ability to meet basic needs, such as the ability to afford food, rent, warm clothing and other incidentals – something unachievable for many on base-rate payments of JobSeeker and Youth Allowance.¹⁶

The primary purpose of Australia's social security system is to provide individuals with a 'minimum adequate standard of living'.¹⁷ This includes adequate food, water and housing and the continuous improvement of living conditions.¹⁸ The introduction of the Coronavirus Supplement allowed recipients for the first time in many years to be able to meet this basic, adequate standard of living. In line with the Raise the Rate for Good Campaign, NTCOSS recommends that JobSeeker and related payments be permanently increased to at least \$70 a day so that everyone has enough to cover the basics.

¹³ Absolute in this context means a measure based on a basic basket of goods and services a person or household could survive on and relative means a measure that has been indexed using changes in per capita income over time. Phillips, B 2021, 'There are lots of poverty lines, and JobSeeker isn't above any of them', *The Conversation*.

¹⁴ Melbourne Institute 2021, *Poverty Lines: Australia*.

¹⁵ Melbourne Institute 2021.

¹⁶ ACOSS 2020, *Community Service workers warn of dire consequences of planned cuts to JobSeeker*.

¹⁷ NTCOSS 2021, *Submission: Inquiry into the Social Services Legislation Amendment (Strengthening Income Support) Bill 2021*.

¹⁸ Australian Government, Attorney General's Department 2019, *Right to an adequate standard of living, including food, water and housing*.

Price and expenditure changes in Darwin (CPI data)

Analysis of changes in the ABS Consumer Price Index (CPI) for Darwin, focusing on goods and services most relevant to low-income households, helps to further understand changes in the cost of living for households over the past year. CPI is primarily used as an economic indicator to monitor inflation in household expenditure in Australia. The CPI measures changes in the price of a fixed ‘basket’ of goods and services, acquired by household consumers who reside in Australia’s capital cities. This ‘basket’ of goods and services is broken down into various groups such as health, transport and education.¹⁹

It should be noted that CPI figures only reflect trends in capital cities and Australia as a whole.²⁰ As a result, the CPI figures for Darwin should not be taken as an accurate reflection of changes in prices over the past year in the NT overall, and especially not in rural and remote areas of the NT. Other datasets will be explored later in this report to gain a better understanding of the changes in the cost of living in rural and remote areas of the NT. For further detail on the CPI and potential limitations of this dataset, please see the Explanatory Notes.

Overall, Darwin saw a CPI increase of 6% for the December 2020 – December 2021 period. This was notably higher than the national increase of 3.5% and was the largest increase out of Australia’s capital cities (see Table 3).

Table 3: Percentage change in CPI over the past year ending December 2021– Capital City comparison²¹

City	Sydney	Melbourne	Brisbane	Adelaide	Perth	Hobart	Darwin	Canberra
CPI change	3.1%	2.5%	4.3%	3.3%	5.7%	4.5%	6.0%	4.0%

Only three of the major CPI groups decreased slightly in Darwin from December 2020 – December 2021:

Table 4: Major CPI Group decreases Darwin vs. National over the past year²²

Major CPI Group	Darwin CPI change	National CPI change
Clothing & footwear	↓ 1.8%	↓ 0.3%
Communication	↓ 0.5%	↓ 0.5%
Recreation & culture	↓ 0.3%	↑ 2.1%

¹⁹ ABS 2022a, *Consumer Price Index*.

²⁰ Ibid.

²¹ ABS 2022c, *Consumer Price Index, Table 11*.

²² ABS 2022d, *Consumer Price Index, Table 10*.

Meanwhile, the CPI for the remaining major groups increased in Darwin, sometimes by quite a large amount, particularly when compared with the national CPI increases:

Table 5: Major CPI Group increases Darwin vs. National over the past year²³

Major CPI Group	Darwin CPI change	National CPI change
Food & non-alcoholic beverages	↑ 1.7%	↑ 1.9%
Alcohol & tobacco	↑ 0.9%	↑ 1.1%
Housing (including utilities)	↑ 15.9%	↑ 4.0%
Furnishings, household equipment/ services	↑ 3.2%	↑ 3.6%
Health	↑ 4.2%	↑ 3.3%
Transport	↑ 16.0%	↑ 12.5%
Education	↑ 4.0%	↑ 0.6%
Insurance & financial services	↑ 8.5%	↑ 2.2%

Analysis of these CPI figures reveals that while some changes in Darwin were broadly in line with national trends, several CPI groups in Darwin saw increases that were disproportionately large compared with national changes. In particular, the CPI increases for Darwin for housing (15.9%) and transport (16%) were alarmingly high.

It should be noted that within the group of housing, there were extremely high CPI increases for ‘Repair and maintenance of the dwelling’ and ‘Other Housing’. This change is partially due to the end of the NT Government’s Home Improvement Scheme which ran from April 2020 – 31 May 2021.²⁴ This scheme heavily reduced the CPI for a time, making the CPI jump excessively once the scheme ended. However, Darwin still saw a large increase in housing costs, as explained further below.

Analysis of Notable CPI changes

Breaking down the changes in Darwin CPI in further detail allows us to understand the areas in which there has been relief and pressure for the cost of living over the past year ending December 2021.

²³ ABS 2022d, *Consumer Price Index, Table 10.*

²⁴ NT Government 2021a, *Home renovation grant.*

There were decreases in the Darwin CPI for the following sub-categories:

Table 6: CPI sub-category decreases Darwin vs. National over the past year²⁵

CPI sub-category	Darwin CPI change	National CPI change
Fruit	↓ 9.2%	↓ 6.6%
Audio, visual and computing equipment	↓ 1.9%	↑ 0.4%

There were increases in the Darwin CPI for the following sub-categories over the past year:

Table 7: CPI sub-category increases Darwin vs. National over the past year²⁶

CPI sub-category	Darwin CPI change	National CPI change
Vegetables	↑ 5.6%	↑ 6.1%
Rents	↑ 8.0%	↑ 0.4%
New dwelling purchase by owner-occupiers	↑ 9.3%	↑ 7.5%
Childcare	↑ 4.9%	↑ 6.5%
Medical & hospital services	↑ 5.7%	↑ 4.3%
Automotive fuel	↑ 41.4%	↑ 32.3%
Motor vehicles	↑ 5.1%	↑ 6.3%

These tables demonstrate that the largest increases in Darwin CPI over the past year were from the rising prices of automotive fuel, rent and new dwelling purchases. In particular, the increase of Darwin rent (8.0%) stands out as hugely different from the trend of rent prices at the national level (0.4%). The ABS stated that the Darwin CPI for rents “rose due to continued strong level of demand and low vacancy rates”.²⁷ Lower income households are more likely to be renters and so these large price rises will disproportionately affect lower income households in the NT. Regarding the CPI increase for new dwelling purchases, the ABS found that “shortages of building supplies and labour, combined with continued strong demand for new dwellings, contributed to price increases for newly built houses, townhouses and apartments”.²⁸

²⁵ ABS 2022d, *Consumer Price Index, Table 10.*

²⁶ ABS 2022d, *Consumer Price Index, Table 10.*

²⁷ ABS 2022a, *Consumer Price Index.*

²⁸ *Ibid.*

The ABS found that fuel prices were the largest contributor to the increase in national CPI over the past year. The ABS attributes the rise in fuel prices to “global supply chain disruptions and material shortages, combined with rising freight costs and high demand”.²⁹ However, as the table above shows, the price of fuel has risen especially sharply in Darwin (41.4%) compared with the national level (32.3%). Darwin had the highest rate of CPI increase for fuel out of all of Australia’s capital cities, which has had implications for the cost of living in Darwin, particularly for Territorians living on low incomes.³⁰

Analysis of Darwin CPI figures reveals that there has been some relief for households over the past year, with (mostly small) decreases in the prices of communication, clothing and footwear, recreation and culture, audio, visual and computing equipment and fruit. Overall, however, prices of goods and services have risen, creating cost of living pressure for many households.

Housing Affordability in the NT

CPI data on rent price changes only applies to Darwin and does not necessarily reflect other areas of the NT. As a result, it is important to also analyse data on the whole of the NT and regional and remote areas, to better understand cost of living pressures related to housing affordability.

Home loan affordability in the NT overall: Real Estate Institute of Australia (REIA) data

Examination of REIA data for the past year reveals that the NT had the largest decline in housing affordability in the nation, with the proportion of median income required to meet mortgage repayments rising by 1.5%.³¹ The NT also saw the highest average loan (mortgage) size increase in the nation of 7.9%, while also experiencing the largest decline of first home buyers in the country (-6.8%).³²

Table 8 below shows in more detail the changes in proportion of median weekly family income needed to meet loan repayments over the past year, comparing the NT with all other jurisdictions. While this data shows that the NT is one of the most affordable jurisdictions in the nation for purchasing a home, it must be remembered that this result is based on averages, not extremes, and is also reflective of the higher-than-average incomes in the NT. For example, the median weekly income in the NT as of December 2021 was \$2190, compared with the national average of \$2051.³³

²⁹ ABS 2022a, *Consumer Price Index*.

³⁰ ABS 2022a, *Consumer Price Index*.

³¹ REIA 2022, *Housing Affordability Report*.

³² REIA 2022, *Housing Affordability Report*.

³³ Ibid.

Table 8: Proportion of median weekly family income needed to meet loan repayments for new borrowers, Dec 2021³⁴

Jurisdiction	NSW	VIC	QLD	SA	WA	TAS	NT	ACT	National
Dec 2020	40.7%	32.3%	30.5%	29.8%	26.0%	30.5%	23.6%	25.7%	33.1%
Dec 2021	46.5%	37.3%	33.4%	31.3%	26.2%	33.3%	25.1%	27.5%	37.0%
% Change in Home Loan Affordability Indicator³⁵	-12.6%	-13.5%	-8.5%	-4.8%	-0.8%	-8.5%	-6.1%	-6.4%	-10.6%
Average weekly loan (mortgage) payments	\$981	\$791	\$645	\$549	\$571	\$554	\$550	\$762	\$759
Median weekly income	\$2110	\$2122	\$1932	\$1753	\$2178	\$1665	\$2190	\$2771	\$2051

Rental affordability in the NT overall: REIA data

The REIA data also reveals that rental affordability got worse over the past year in the NT, with the proportion of family income required to meet median rent increasing 1.9% from 24.0% to 25.9%, 2.1% higher than the national average (see Table 9).

Table 9: Proportion of median weekly family income needed to rent a 3BR home in the private market, Dec 2021³⁶

Jurisdiction	NSW	VIC	QLD	SA	WA	TAS	NT	ACT	National
Dec 2020	25.8%	20.0%	21.8%	23.5%	18.5%	28.7%	24.0%	21.2%	22.7%
Dec 2021	26.1%	19.8%	21.7%	24.0%	19.7%	30.0%	25.9%	22.2%	23.0%
Average weekly rent	\$551	\$420	\$524	\$421	\$429	\$500	\$567	\$615	\$472
Median weekly income	\$2110	\$2122	\$1932	\$1753	\$2178	\$1665	\$2190	\$2771	\$2051

³⁴ REIA 2022, *Housing Affordability Report*.

³⁵ The Home Loan Affordability Indicator (HLAI) is the ratio of median family income to average loan repayments. An increasing value reflects improving affordability of housing loans.

³⁶ REIA 2022, *Housing Affordability Report*.

Rental affordability in the NT overall: Anglicare Australia Rental Affordability Snapshot

On the weekend of 19 March 2022, the Anglicare Australia Rental Affordability Snapshot found that out of the 434 private rentals advertised across the NT:

- **seven (1.6%) of individual properties were suitable for at least one household type living on income support payments without placing them in housing stress; and**
- **31 (7.1%) of individual properties were suitable for at least one household type living on minimum wage without placing them in housing stress.**³⁷

Anglicare’s findings regarding rental affordability at the national level were similarly dire. Out of the 45,992 listings available in Australia on 19 March 2022, just eight rentals (0%) were affordable for a single person on JobSeeker. There was one listing (0%) in a share house that was affordable for a young person on Youth Allowance.³⁸ The affordability calculations in Anglicare’s report included CRA and other available payments such as the Family Tax Benefit. Despite these extra forms of assistance, 46% of households in Australia receiving CRA are still in housing stress.³⁹

The findings from Anglicare’s report are alarming, and they demonstrate that people on low and even middle incomes are paying so much in rent that they are struggling to meet other basic costs such as medical expenses and food. Overall, these findings show that the private rental market is chronically failing Territorians and Australians, especially those on low incomes, and that current government assistance such as CRA is completely failing to keep pace with the skyrocketing price of renting.

Trends in house and unit prices in the NT (including regional centres)

Analysis of trends in median prices for houses and units can help to gain a further understanding of the housing affordability situation in these areas.

From December 2020 to December 2021, house prices went up in Darwin and all NT regional centres. Some locations saw jumps in house prices as high as 45% (Tennant Creek).⁴⁰ Palmerston and areas of Darwin also saw rises in median house and unit prices between 20% - 30%, which is alarming when placed in comparison with the CPI increase of 6% for Darwin over the past year. Similarly, over the past year unit prices increased in Darwin and the NT’s regional centres, except for Alice Springs. The table below details some of the major changes in prices over the past year.

Table 10: Snapshot of major changes in median house and unit prices December 2020 - December 2021⁴¹

Location	Median house price change	Median unit price change	Dec 2021 median house price	Dec 2021 median unit price
Palmerston	↑ 20.4% (\$95,000)	↑ 30.6% (\$75,000)	\$560,000	\$320,000
Katherine	↑ 11.3% (\$35,000)	↑ 23.9% (\$45,500)	\$345,000	\$235,500
Tennant Creek	↑ 45% (\$90,000)	N/A	\$290,000	N/A
Alice Springs	↑ 7.1% (\$34,000)	↓ 13% (\$46,500)	\$510,000	\$312,000

³⁷ Anglicare Australia 2022, Rental Affordability Snapshot April 2022: Regional Reports.

³⁸ Anglicare Australia 2022.

³⁹ Anglicare Australia 2022.

⁴⁰ Real Estate Institute of the Northern Territory Inc. (REINT) 2022, *Real Estate Local Market (RELM) Analysis*.

⁴¹ REINT 2022, *RELM Analysis*.

Darwin North Coastal ⁴²	↑ 19.5% (\$110,000)	↑ 29.5% (\$90,000)	\$675,000	\$395,000
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Trends in rent prices in the NT (including regional centres)

From December 2020 to December 2021, rents went up in Darwin and all NT regional centres, with only a few exceptions (e.g. one-bedroom and two-bedroom units got cheaper in Katherine). Some locations saw increases in median weekly rent prices as high as 18% (three-bedroom houses in Darwin North Coastal).⁴³ Alarmingly, an outlier was one-bedroom units in Palmerston, which saw an increase in median rent prices of 91.3% or \$179 per week over the past year. The table below details some of the major changes in median rent prices over the past year.

Table 11: Snapshot of major changes in median weekly rent prices December 2020 - December 2021⁴⁴

Property type: Three-bedroom house				
Location	Palmerston	Katherine	Alice Springs	Darwin North Coastal
Median weekly rent price change	↑ 15.6% (\$70)	↑ 8% (\$35)	↑ 5.7% (\$30)	↑ 18.4% (\$90)
Dec 2021 median weekly rent price	\$520	\$475	\$560	\$580
Property type: One-bedroom unit				
Median weekly rent price change	↑ 91.3% (\$179)	↓ 13.8% (\$40)	↑ 6.5% (\$20)	↑ 16% (\$40)
Dec 2021 median weekly rent price	\$375	\$250	\$330	\$290

⁴² Darwin North Coastal is the second cheapest area in Darwin featured in the REINT report. The cheapest area, Darwin North, is not featured in this report because several data gaps exist for this area.

⁴³ REINT 2022, *RELM Analysis*.

⁴⁴ REINT 2022, *RELM Analysis*.

Fuel Affordability in the NT

As demonstrated in previous sections, fuel prices were the largest contributor to the national CPI increase over the past year, and a big contributor to the rise in CPI specifically for Darwin.⁴⁵ However, this data does not reveal the extent to which fuel affordability can vary across the NT’s regional and remote areas. As a result, it is worth looking at fuel price data for the NT’s regions, to get a more accurate picture of the fuel affordability situation over the past year.

It should be noted that while this report mostly focuses on fuel prices from December 2020 – December 2021 (where price rises have been significant and concerning), since the invasion of Ukraine in February 2022, fuel prices in the NT and Australia have risen to unprecedented levels, so the cost of living pressure caused by fuel prices has only continued to intensify.

The tables below compare the average prices for unleaded petrol and diesel in December 2020, December 2021 and March 2022 across various regional centres in the NT. Data from March 2022 has been included to give an accurate picture of prices since the impact of the war in Ukraine on fuel prices has taken effect.

Table 12: Unleaded fuel prices across the NT Dec 2020, Dec 2021, March 2022⁴⁶

Location	Ave. retail price Dec. 2020	Ave. retail price Dec. 2021	Price change	Ave. retail price March 2022
Darwin	115.9 cents/L	169.1 cents/L	↑ 53.2 cents/L (45.9%)	205.6 cents/L
Alice Springs	171.7 cents/L	201.5 cents/L	↑ 29.8 cents/L (17.4%)	223.9 cents/L
Katherine	138.1 cents/L	185.3 cents/L	↑ 47.2 cents/L (34.2%)	211.6 cents/L
Tennant Creek	172 cents/L	203.3 cents/L	↑ 31.3 cents/L (18.2%)	220.3 cents/L
Australia average	125.1 cents/L	161.3 cents/L	↑ 36.2 cents/L (28.9%)	202.6 cents/L

⁴⁵ ABS 2022a, *Consumer Price Index*.

⁴⁶ NT Government 2021b, *NT Economic Brief Fuel Prices*; NT Government 2022b, *NT Economic Brief Fuel Prices*; NT Government 2022c, *NT Economic Brief Fuel Prices*; figures derived from Jan 2022 and Jan 2021 prices, calculated using CPI change from previous month.

Table 13: Diesel fuel prices across the NT Dec 2020, Dec 2021, March 2022⁴⁷

Location	Ave. retail price Dec. 2020	Ave. retail price Dec. 2021	Price change	Ave. retail price March 2022
Darwin	116.1 cents/L	165.4 cents/L	↑ 49.3 cents/L (42.4%)	218.1 cents/L
Regional average	163.0 cents/L	193.3 cents/L	↑ 30.3 cents/L (18.6%)	222.0 cents/L
Australia average	119.6 cents/L	161.7 cents/L	↑ 42.1 cents/L (35.2%)	214.5 cents/L

These tables demonstrate that from December 2020 – December 2021, even with a large percentage increase, unleaded fuel remained much cheaper in Darwin than in Katherine, Tennant Creek and Alice Springs. Similarly, diesel prices for the Darwin region (165.4 cents per litre in December 2021), remained much lower than the NT’s regional average of 193.3 cents per litre in December 2021. This disparity in fuel prices for regional consumers is also present in comparison with national average prices. These tables also demonstrate that the usual trends continued during the March 2022 spike in fuel prices, with the NT still having prices higher than the national average, and even higher still in the NT’s regional and remote areas.

Remote fuel prices cost of living snapshot

Analysis of fuel prices in remote areas of the NT reveals an even larger disparity in prices and affordability, demonstrating that fuel prices are adding significant cost of living pressure for Territorians living in remote areas. MyFuel NT figures provide a picture of fuel prices across remote communities in the NT, though these figures do need to be interpreted with some caution as they do not provide a weighted average. For more information on the limitations of MyFuel NT data, please refer to the Explanatory Notes. The following table uses MyFuel NT figures from one day (the 18th February 2022), to highlight the extraordinarily high prices people living in remote areas of the NT have to pay at certain points in time.

Table 14: Highest prices data for remote/rural regions at 18th Feb 2022⁴⁸

Fuel Type	Unleaded 91	Low Aromatic Fuel	Diesel
Tiwi Islands	241 cents/L	274 cents/L	250 cents/L
East Arnhem	N/A	322 cents/L	299 cents/L
Top End rural	210 cents/L	278 cents/L	277 cents/L
Central Australia	250 cents/L	275 cents/L	255 cents/L
Barkly	203 cents/L	183.7 cents/L	245 cents/L
Litchfield	185.9 cents/L	N/A	185.9 cents/L
Katherine	202.9 cents/L	231 cents/L	224 cents/L

⁴⁷ NT Government 2021b, *NT Economic Brief Fuel Prices*; NT Government 2022b, *NT Economic Brief Fuel Prices*; NT Government 2022c, *NT Economic Brief Fuel Prices*.

⁴⁸ NT Government 2022a, *MyFuel NT*.

High fuel prices disproportionately affect people on low incomes, particularly in remote areas where the cost of living has historically been very high and is compounded by the need to travel longer distances.⁴⁹ While the selection of hugely inflated remote fuel prices outlined above have economic implications for residents of these areas, they also have the potential to affect other factors such as social inclusion, engagement in society, employment and access to services. People living in remote areas, particularly those living on low incomes or income support payments, likely must make sacrifices in other areas to afford fuel they need at these prices.

The role of Governments in managing the effects of spikes in fuel prices

Governments have limited capacity to influence factors that drive the global cost of fuel, however they do play a role in regulating prices in relation to the setting of fees, levies and taxes (e.g. for motor vehicle registration/insurance).⁵⁰ It is here that the NTG could make a significant difference in reducing cost of living pressure for many Territory households. For example, the NTG could expand the NT Concession Scheme to include electricity, driver's licences and spectacles concessions for Commonwealth Health Care Card holders. Along with such changes, ultimately the most effective way to ease cost of living pressures for people on low incomes is to raise incomes and ease large costs such as housing expenditure through further investment in social housing.

Some measures such as fuel excise tax cuts have been recently announced by the Commonwealth Government to address the spikes in fuel costs. However, these fuel excise tax cuts will ultimately mostly benefit people on higher incomes. The bottom 40% of Australian earners spend on average more than 3% of their income on fuel, while higher earners spend less than 2%.⁵¹ However, higher income households spend more on petrol in absolute terms than low income households (over 50% more on average).⁵² Therefore, fuel subsidies disproportionately help higher earners for whom high fuel costs are just an inconvenience, rather than a major source of financial pressure. The most effective course of action remains raising the rate of JobSeeker and associated payments to a sufficient level.⁵³

Transport affordability in Alice Springs and Darwin

As the CPI figures only cover capital cities and examine changes in prices of goods and services (as opposed to how much households are actually spending on these goods and services), it is necessary to also examine other data sources to get a more accurate idea of what Territorians are spending on transport. The Transport Affordability Index (TAI) investigates transport expenditure in Australia's capital cities and seven regional towns including Alice Springs, and this data helps to provide a more inclusive picture of transport expenditure and affordability in the NT.

Annual transport expenditure changes: Darwin and Alice Springs

Darwin's annual transport expenditure was the second lowest out of Australia's capital cities over the past year, and was \$2245 lower than the capital city average, as shown in the table below.

⁴⁹ NTCOSS 2020, *Cost of Living Report: General Update*.

⁵⁰ NTCOSS 2020, *Cost of Living Report*.

⁵¹ Martin, P 2022, 'It's hard to find a case for a cut in petrol tax – there are other things the budget can do', *The Conversation*.

⁵² Martin, P 2022.

⁵³ ACOSS 2022b, *Tax cuts are not the answer to cost of living for people on low and modest incomes*.

Table 15: Total transport costs Darwin vs. capital city average December 2020 – December 2021⁵⁴

	Darwin	Capital city average
Annual transport expenditure 2020-2021	\$19,268	\$21,513

The TAI found that for the December 2020 to December 2021 period, a typical household in Darwin spent \$19,268 a year on transport, an increase of \$3600, or 23% from the previous year.⁵⁵ This large change has mostly been attributed to higher fuel expenditure and car loan payments, which increased by \$412 and \$197 per annum, respectively.⁵⁶ For comparison, the overall CPI for Darwin rose by 6% over the past year, so this 23% rise in transport expenditure demonstrates that transport is a key area of financial pressure for Territorian households at the moment, particularly those on low incomes.

The TAI found that for the December 2020 to December 2021 period, a typical Alice Springs household spent \$18,766 a year on transport costs. This was \$3773, or 25% higher than the previous year, and \$999 higher than the regional average (see Table 14), making Alice Springs the regional centre with the highest transport costs out of the seven regional centres measured by the TAI.⁵⁷ This increase in expenditure for Alice Springs was mostly due to insurance premiums rising by \$410 per annum. Fuel expenditure and car loan payments also increased dramatically, by \$375 and \$197 per annum, respectively.⁵⁸

Table 16: Total transport costs Alice Springs vs. regional average December 2020 – December 2021⁵⁹

	Alice Springs	Regional average
Annual transport expenditure 2020-2021	\$18,766	\$17,767

Weekly transport costs: Darwin and Alice Springs

The TAI also examines the changes throughout the year in weekly transport costs for households by expenditure area in Darwin and Alice Springs. Analysis of this data provides further insight into which areas of transport expenditure are creating pressure or relief regarding the cost of living in the NT.

⁵⁴ Australian Automobile Association (AAA) and SGS Economics and Planning (SGS) 2021, *Transport Affordability Index*; AAA & SGS 2022, *Transport Affordability Index*.

⁵⁵ TAI figures are based on transport costs for a 'hypothetical household' which is a couple with children, the most common type of household in Australia according to the 2016 census. The couple consists of a 38-year-old woman and a 36-year-old man, who live in a detached house, have two cars and are both employed; AAA & SGS 2021, *Transport Affordability Index*; AAA & SGS 2022, *Transport Affordability Index*.

⁵⁶ AAA & SGS 2021, *Transport Affordability Index*; AAA & SGS 2022, *Transport Affordability Index*.

⁵⁷ Ibid.

⁵⁸ Ibid.

⁵⁹ AAA & SGS 2021, *Transport Affordability Index*; AAA & SGS 2022, *Transport Affordability Index*.

The table below shows a comparison between Darwin and Alice Springs for changes over the past year in expenditure areas for household weekly transport costs:

Table 17: Household weekly transport costs, Alice Springs vs. Darwin, December 2020 – December 2021⁶⁰

Expenditure Area	Darwin			Alice Springs		
	Q4 2020	Q4 2021	Change	Q4 2020	Q4 2021	Change
Car Loan Payments	\$129.20	\$169.24	↑ \$40.04 (23.6%)	\$129.20	\$169.24	↑ \$40.04 (23.6%)
Registration and Licencing	\$30.14	\$30.74	↑ \$0.60 (2.0%)	\$30.14	\$30.74	↑ \$0.60 (2.0%)
Insurance	\$30.28	\$33.08	↑ \$2.80 (9.2%)	\$24.78	\$33.07	↑ \$8.29 (33.5%)
Servicing & tyres	\$30.86	\$31.52	↑ \$0.66 (2.1%)	\$34.11	\$34.81	↑ \$0.70 (2.0%)
Fuel	\$58.93	\$84.07	↑ \$25.32 (43.0%)	\$68.19	\$91.12	↑ \$22.93 (33.6%)
Public transport ⁶¹	\$20.00	\$20.00	Nil	\$0.00	\$0.00	Nil
Tolls	N/A	N/A	N/A	N/A	N/A	N/A
Roadside Assistance	\$1.90	\$1.90	Nil	\$1.90	\$1.90	Nil
Totals	\$301.30	\$370.54	↑ \$69.24 (23.0%)	\$288.33	\$360.88	↑ \$72.55 (25.2%)

The table shows that Alice Springs has experienced a disproportionately high change in expenditure on insurance over the past year, with a 33.5% rise in weekly costs, compared with a 9.2% weekly rise in Darwin. It should be noted that the overall increases of transport costs over the past year are much higher than the CPI increase of 6% for the same period. With such large increases, households on low incomes unfortunately may be having to make sacrifices, such as cancelling their car insurance, to keep up with these steep changes in transport expenditure. Such sacrifices have the potential to increase costs for households in the future, putting them in an even more vulnerable position economically. Households on low incomes, particularly those on income support payments, will undoubtedly be struggling to keep up with these changes.

Conclusion

This report has analysed price changes in key expenditure areas, using Darwin, regional NT, Territory-wide and national data. This was done through an analysis of the ABS data on changes in the SLCIs and the CPI, to establish a general picture of changes in prices and expenditure over the past year in Australia and Darwin. Comparisons were then made between these ABS indexes and recent changes in income support payments. This established that while most income support payments, apart from the age pension, have kept up with cost of living changes, the most recent increase to income support payments was disappointingly insufficient, keeps recipients below the poverty line and does not allow for incidences such as emergencies.

⁶⁰ AAA & SGS 2021, *Transport Affordability Index*; AAA & SGS 2022, *Transport Affordability Index*.

⁶¹ It is assumed by the TAI that the regional household does not incur public transport costs because of a lack of reliable services and low usage rates in the regional locations analysed.

This report then analysed data on transport and housing affordability and fuel prices, to draw attention to the often vast cost of living disparities that exist for residents of the NT's rural and remote areas. This demonstrated that both rent and house prices are currently a source of great financial pressure for Territorians, and that Territorians in rural and remote areas continue to routinely pay exorbitant prices for fuel.

Overall, this report has demonstrated that over the past year, significant cost of living pressures have emerged or intensified for Territorians, and at an unsustainable and disproportionate rate in certain areas. Territorians living on low incomes or on income support payments are feeling more pressure from everyday expenses. Additionally, despite recent increases, the rate of income support payments is still well below the poverty line.

The implications of this for people's physical and mental health, and ability to participate in the workforce and in society is well known.

This reality is preventable and should not be accepted.

As such, this report has included recommendations to the Commonwealth and NT Governments, regarding evidence-based actions that should be taken to help ensure Territorians on low incomes and income support payments are better supported and protected as the cost of living continues to rise. While governments have limited capacity to influence the prices of expenses such as fuel and rent, they can and should choose to provide targeted cost of living relief for low income households through the introduction and extension of concessions to help ease the burden being created by the rising cost of living.

Overall, increasing income support payments remains the single most effective way to resolve entrenched disadvantage and assist people living on low incomes to cope with the current pace of increase in the cost of living. The power to do this sits with the Commonwealth Government, and so NTCOSS once again calls on the Commonwealth Government to listen to experts and immediately raise the rate of JobSeeker and other income support payments adequately and permanently.

Explanatory Notes

1. CPI and Living Cost Indexes

The ABS SLCIs use a different methodology to the CPI. CPI is based on acquisition (i.e. the price at the time of acquisition of a product) while the SLCIs are based on actual expenditure. This is particularly relevant in relation to housing costs where CPI traces changes in house prices, while the SLCIs trace changes in the amount expended each week on housing (e.g. mortgage repayments). Further information is available in the Explanatory Notes to the SLCIs.⁶²

In that sense, the SLCIs are not a simple disaggregation of CPI and the two are not strictly comparable. However, both indexes are used to measure changes in the cost of living over time (although that is not what CPI was designed for) and given the general usage of the CPI measure and its powerful political and economic status, it is useful to compare the two and highlight the differences for different household types.⁶³

The SLCIs are preferred, as a summary measure, over the more well-known CPI, because the CPI is technically not a cost of living measure, as it tracks changes in the price of a specific basket of goods. However, this basket includes goods and services that are not necessarily part of the expenditure of all households, particularly many low-income households.⁶⁴

2. Limitations of the Selected Living Cost Indexes (SLCIs)

The SLCIs are more nuanced than the generic CPI in that they measure changes for different household types, but there are still a number of problems with using those indexes to show cost of living changes faced by Territorians living on low incomes. Household-based data for multi-person households does not indicate the distribution of power, money and expenditure within a household. This may therefore hide particular (and often gendered) structures of vulnerability and disadvantage. Further, the SLCIs are not state-based, so particular NT trends or circumstances may not show up.⁶⁵

At the more technical level, the SLCIs are for households whose predominant income is from the described source (e.g. Aged Pension or government transfers), though many households in these categories have other sources of income, or more than one welfare recipient in the same household. Like the CPI, the SLCIs reflect broad averages, but do not reflect the experience of the poorest in those categories.⁶⁶

Another example of this “averaging problem” is that expenditures on some items, like housing, are too low to reflect the real expenditures and changes for the most vulnerable in the housing market – again, because the worst-case scenarios are “averaged out” across the whole of the population by those in the category with other resources. For instance, if one pensioner owned their own home outright, they would generally be in a better financial position than a pensioner who pays market rent. As an example, if the market rent was \$300 per week, the expenditure on rent between the two households would be averaged out to \$150 per week (much less than what the renting pensioner was actually paying) in order to provide a whole of population expenditure figure on rent to be included in calculations for the SLCIs.⁶⁷

The weightings in the SLCIs are also based on a set point in time (from the 2016-17 Household Final Consumption Expenditure dataset) and cannot be changed until the next survey. In the meantime, the price of some necessities may increase rapidly, forcing people to change expenditure patterns to cover the increased cost. Alternatively,

⁶² ABS 2021, *Selected Living Cost Indexes, Australia methodology*.

⁶³ South Australian Council of Social Service (SACOSS) 2014, *Cost of Living Update*.

⁶⁴ SACOSS 2014, *Cost of Living Update*.

⁶⁵ Ibid.

⁶⁶ Ibid.

⁶⁷ Ibid.

or additionally, expenditure patterns may change for a variety of reasons. However, the weighting in the indexes does not change and therefore does not track the expenditure substitutions and the impact that has on cost of living and lifestyle.⁶⁸

The SLCIs household income figures are based on households that are the average size for that household type: which for Aged Pensioners is 1.52 and Other Government Transfer recipients 2.57.⁶⁹ This makes comparison with allowances difficult. This report primarily focuses on single person households or a single person with two children (to align to the other welfare recipient household average of 2.57 persons). However, this is a proxy rather than statistical correlation.⁷⁰ While the SLCIs do have some limitations, in terms of tracking cost of living changes overall they provide a “robust statistical base, quarterly tracking of changes and a long time series, which all provide valuable data for analysis”.⁷¹

3. Limitations of MyFuel NT data

MyFuel NT figures need to be interpreted with some caution, as the data on fuel prices provides an average price per month for each region, and the prices are not weighted in terms of how many consumers are buying fuel at particular prices. This means that the data reflects an average of the various prices offered at the bowser, rather than the average people are actually paying, so it doesn't provide a true 'cost of living' measure. The price information, however, is useful for seeing what many people have to pay at a particular point in time, in particular the prices in remote communities.⁷²

⁶⁸ SACOSS 2014, *Cost of Living Update*.

⁶⁹ ABS 2022b, *Selected Living Cost Indexes*.

⁷⁰ SACOSS 2014, *Cost of Living Update*.

⁷¹ SACOSS 2014, *Cost of Living Update*.

⁷² NTCOSS 2020, *Cost of Living Report*.

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