



Why we need to substantially increase the remote area allowance:

- The remote area allowance was introduced in 1984. It was \$7 per week, or approximately 8% on top of a single unemployment benefit. The payment is not indexed to inflation and has only been raised twice since 1984. The latest increase was by 35 cents per week in 2000.
- Evidence from decades of comparative market basket surveys conducted by the NT government indicates that the cost of living in remote areas is approximately 40% higher than in non-remote areas.
- The allowance is now \$9.10 per week for a single person, \$7.80 per week for a partnered person, and \$3.65 per week for each child. If it had been indexed to inflation it would be approximately \$27 per week. If pegged to the pension it would be around \$40 per week.¹
- Around 90,000 people receive the allowance. Two-thirds are First Nations, and over half live in the Northern Territory.
- **The CLC is calling for it to be increased to \$121.30 per week or \$17.30 per day for a single adult.** This represents a 30% increase in the overall value of a single JobSeeker payment.
- **It also wants the allowance to be indexed to inflation so that it retains its value over time.**
- The allowance costs the budget approximately \$45 million. The CLC estimates that it would cost \$600m per year to increase the allowance to \$121.30 per week, assuming there are 100,000 recipients.
- The Productivity Commission has called for the allowance to be modernised, and the Economic Inclusion Advisory Committee has recommended it be increased in its past three reports. Its recent report, they called the payment “absurdly low”.
- The payment needs to be increased urgently to help people cope with the extreme cost of living out bush. Diesel prices in remote communities are as high as \$3.50 to \$4 per litre.

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1Markham, Francis, (2024), The Poor Pay More: Why the Remote Area Allowance Needs Urgent Reform, Austaxpolicy: Tax and Transfer Policy Blog, 12 February 2024, Available from: <https://www.austaxpolicy.com/the-poor-pay-more-why-the-remote-area-allowance-needs-urgent-reform/>

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