



Committee Secretariat
Select Committee on Cost of Living
PO Box 6100
Parliament House
Canberra ACT 2600

9 April 2024

To the Committee,

Cost of living in remote Northern Territory

The Central Land Council (CLC) welcomes the opportunity to provide input to this important inquiry. The cost of living has dominated national headlines for some time now – and rightly so. In a wealthy country such as Australia, it should not be the case that so many families are struggling to afford the basics.

Against the national backdrop, the CLC would like to draw particular attention to the circumstances of Aboriginal people living in remote communities, particularly those living in the Northern Territory, and the particular policy settings that are contributing to the cost of living crisis experienced by our constituents.

Through our directly elected representative Council of 90 community delegates, the CLC represents the interests and aspirations of approximately 20,000 traditional owners and other Aboriginal people resident in our region. We advocate for our people on a wide range of land-based, economic and socio-political issues to ensure that our families can continue to survive and thrive on their land. Our region covers 780,000 km² (an area almost the same size as NSW) in the southern half of the NT.

1. Poverty rates are uniquely dire in remote NT communities

While cost of living pressures are causing pain to households around the country, the situation experienced by our constituents in remote NT is uniquely dire. The submission by Dr Francis Markham to the recently completed *Inquiry into the extent and nature of poverty in Australia* presented a stark picture of the economic reality of Aboriginal people living in remote Australia. Based on Census data, 50-75 per cent of Aboriginal households in remote NT are living below the poverty line.¹ Even more concerning, this situation is not improving.

The figure overleaf, copied from Dr Markham's submission, shows the change in Indigenous income poverty rates between 2016 and 2021. While in most parts of the country, Indigenous poverty rates are decreasing (albeit to a small degree), in remote NT, the poverty rates have escalated significantly – rising between 10-13 percentage points from 2016 to 2021:

¹ See Dr Francis Markham (2023) *Inquiry into the extent and nature of poverty in Australia*, note on method p.1-2 and figure on p.6 ([weblink](#))

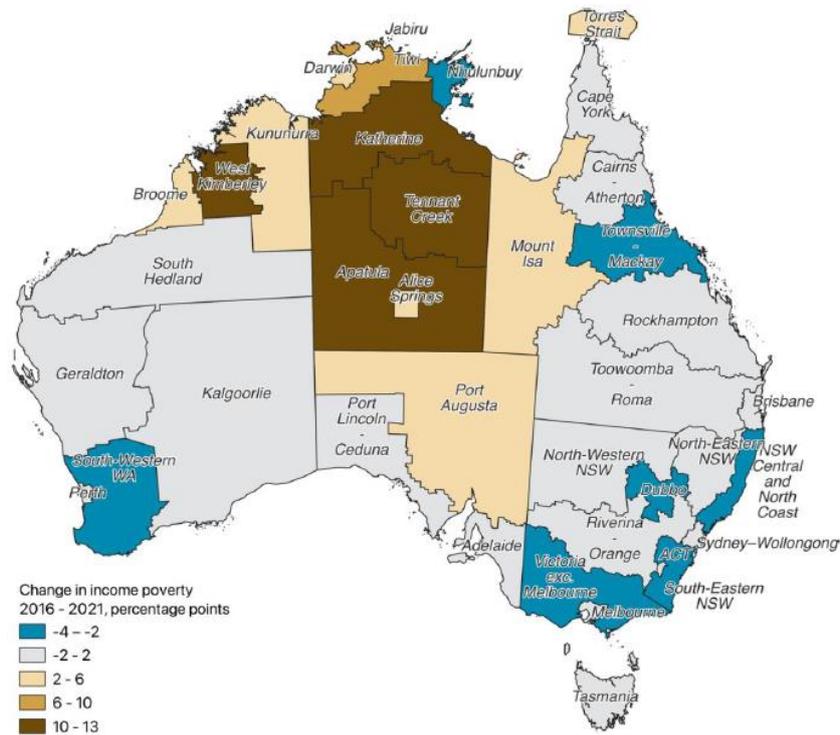


Figure 1: Change in Indigenous income poverty rates 2016-2021. **Source:** Dr Francis Markham, submission to the Inquiry into the extent and nature of poverty in Australia, p.7 ([weblink](#))

These figures are shameful, and evidence of significant policy failures by successive governments, on which we will elaborate further below.

However, of even greater concern is the fact that these figures don't even fully capture the economic hardship experienced by Aboriginal families in our region – given that they fail to account for the elevated cost of living in remote communities.

2. Cost of living pressures compound the already extreme financial hardship in remote NT

In a separate piece of analysis, Dr Markham has estimated that the relative cost of living in remote Indigenous communities is 138.8 per cent of capital cities.² That is, people in remote communities – the vast majority of whom are Aboriginal – are paying around 39 per cent more for the basics.

What do these pressures look like in everyday life?

2.1 Energy insecurity

Our constituents are struggling to keep the power on: to keep cool in summer and stay warm in winter (in an increasingly extreme climate), to refrigerate food and medicines, run the washing machine, keep the lights on to do homework and spend time inside in the evenings. Unlike almost everywhere else in the country, remote households in the NT (the majority of which are Aboriginal) pay for their power using prepayment electricity meters. This means when money runs out, so does the power.

² Dr Francis Markham, 'The poor pay more: Why the Remote Area Allowance needs urgent attention', 12 February 2024, published by the Australian National University Tax and Transfer Policy Institute ([weblink](#))



While the lack of reporting of electricity disconnections in the NT³ has historically masked the very high levels of energy insecurity in remote communities, recent research has made this more visible. Analysis of prepayment meter data taken from 3,300 households in 28 remote Aboriginal communities shows that almost all households (91 per cent) experienced at least one disconnection during the year. Almost three quarters (74 per cent) had their power disconnected more than 10 times. Households with high electricity use located in the central climate zones (i.e. within the CLC region) had a one in three chance of a same-day disconnection on very hot or very cold days.⁴ Our constituents have been reporting significant energy hardship this summer as Central Australia experienced its third hottest summer on record.

The impact of such frequent disconnections on people's health and wellbeing, and the social and economic lives of communities is significant, and at times extreme.⁵ [This video](#) on energy justice produced by the Purple House Language Group describes the daily hardship well.⁶

Recommendation 1: Improve the ability to track levels of energy insecurity experienced by remote residents through:

- a) A national database to actively monitor and measure levels of energy protections for households across the country; and
- b) Adoption by all jurisdictions of mandatory electricity disconnection reporting.

Recommendation 2: Co-investment by the Australian and Northern Territory Governments in solar infrastructure for remote NT communities that facilitates lower power prices for residents.

Recommendation 3: Adoption by the NT Government of the National Construction Code 2022 7 star energy efficiency rating for all new housing delivered under the new National Partnership Agreement on Remote Housing NT.⁷

2.2 Food insecurity

Food insecurity is similarly not a new experience for Aboriginal people living in remote NT communities. Remote Aboriginal residents have long suffered a food system that regularly fails to provide access to food that is affordable, or of sufficient quantity and quality that the rest of Australia enjoys.

³ White, L. et al (2024) 'Geographies of regulatory disparity underlying Australia's energy transition', Nature Energy, Vol 9, (p.92-105) ([weblink](#))

⁴ Longden, T. et al (2022) 'Energy insecurity during temperature extremes in remote Australia', Nature Energy, Vol. 7 (p.43-54) ([weblink](#))

⁵ "Bodies start to cook": poor housing in remote communities puts lives at risk in northern Australia heatwave', C. Kelly, The Guardian, 8 December 2022 ([weblink](#))

⁶ Power Story, S. Quilty and Western Desert Nganampa Walytja Palyantjaku Tjutaku Aboriginal Corporation (Purple House) Language Group ([weblink](#))

⁷ Despite the climate extremes in the NT, the NT Government has not adopted the National Construction Code 2022 minimum requirements for new homes to achieve the equivalent of 7 star performance under the Nationwide House Energy Rating Scheme (NatHERS), instead retaining a 5 star minimum. Aboriginal people living in remote public housing bear the cost of inadequate housing that they can't afford to heat or cool. See Northern Territory Government Residential building and energy efficiency: <https://nt.gov.au/property/building/build-or-renovate-your-home/building-and-energy-efficiency> and 'NT refuses to adopt new 7 Star Energy Efficiency standards for homes', Health Habitat, 2 September 2022 ([weblink](#)).



Analysis by the Aboriginal Medical Services Alliance NT (AMSANT) of the 2021 NT Market Basket Survey⁸ and ABS median Indigenous household income data, showed that an Aboriginal household in the NT needs to spend, on average, 42 per cent of their household income to afford a healthy basket of food.⁹ This is even higher for families in remote communities in Central Australia, where the cost of a healthy food basket is 60 per cent more than the same basket in Alice Springs.¹⁰ This means Central Australian families living outside of Alice Springs could have as little as 20 per cent of their household income left for bills, transport costs and rent once they have purchased enough food to feed an average family¹¹ – clearly, an impossible task.

The Aboriginal community-controlled health sector continues to lead policy thinking to address food security and advocate for a shift beyond emergency responses to systemic solutions and a focus on prevention at the community and household level. The 2021 Food Summit, hosted by AMSANT, in partnership with Central Australian Aboriginal Congress, NT Council of Social Service (NTCOSS) and the NPY Women’s Council, resulted in a set of recommendations to comprehensively address food security issues in the NT¹², some of which were incorporated in the final recommendations of the House of Representatives Standing Committee on Indigenous Affairs’ (HORSCIA) 2020 *Inquiry into food pricing and food security in remote Indigenous communities*¹³.

The CLC welcomes the Australian Government’s commitment to one of the key recommendations: to develop a national strategy for food security in remote First Nations communities, and looks forward to engaging in the consultation process that is currently underway.

As part of this strategy, the CLC strongly encourages the adoption of a key recommendation from the HORSCIA inquiry, that the Australia Government establish a real-time price monitoring and disclosure mechanism through a point of sale data system across all remote community stores.¹⁴ Such a system should allow for real time information about changes in price and patterns of consumption and supply that should be reported and made publicly available. This is necessary to help ensure that any investment and initiatives aimed at reducing store prices (including for example, freight subsidies) are having their intended effect (i.e. reaching consumers).

Recommendation 4: As an action of the national strategy for food security in remote First Nations communities that is currently in development, the Australia Government should establish a real-time price monitoring and disclosure mechanism through a point of sale data system across all remote community stores. The system should allow for real time information about changes in price and patterns of consumption and supply that should be reported and made publicly available.

⁸ NT Department of Health: NT Market Basket Survey 2021 ([weblink](#))

⁹ AMSANT submission to the House Standing Committee on Agriculture’s Inquiry into food security in Australia, December 2022, Submission No. 73, p.3 ([weblink](#))

¹⁰ \$901 in a remote store compared to \$548 in Alice Springs. NT Department of Health: NT Market Basket Survey 2021 ([weblink](#))

¹¹ AMSANT 2022, p.3 ([weblink](#))

¹² The final report is available [here](#), and the consultation analysis and discussion paper is available [here](#).

¹³ HORSCIA Inquiry into food pricing and food security in remote Indigenous communities, Final Report, December 2020 ([weblink](#))

¹⁴ Ibid, Recommendation 2.



2.3 Housing insecurity

Households across the country are experiencing rental stress and remote Aboriginal households are no exception. However, the policy drivers of rental stress for remote communities in the NT are distinct.

On 6 February 2023, the NT Government's new Remote Rent Framework commenced, which abolished income-based rent and introduced a bedroom-based rent scheme. The new framework means public housing tenants in remote communities and Tennant Creek Community Living Areas (CLAs) – where incomes are among the lowest in the country – are now the only public housing tenants in Australia whose rent is not calculated based on income. While Aboriginal organisations initially supported a simplified bedroom-based model, the final rent per room determined by government was higher than those agreed in early consultations.

As a result, based on the NT Government's modelling, the framework has increased the rents of about two third of tenants in remote communities and Tennant Creek CLAs. It includes a 'Safety Net' which allows tenants to apply for a cap on their rent at 25 per cent of household income. The NT Government says it automatically applied the Safety Net for six months to households where rent would exceed 25 per cent of household income, with housing staff to work with tenants to determine ongoing eligibility.¹⁵ After this period, tenants can apply for the Safety Net (for 12 months at a time), and have to initiate these applications themselves, applying online or via NT Government housing officers.¹⁶ The promised wrap-around support anticipated to be provided by new housing officers has largely not eventuated, leaving a significant number of households without the protection of the Safety Net.

Since the new framework was introduced, rental arrears have increased – strongly suggesting that the new charging method is exacerbating the already extreme financial hardship experienced by remote community residents.

The CLC, along with Aboriginal Housing NT (AHNT), APO NT and a range of NT and national organisations, [has called on](#) the NT government to maintain income-based rent until a new model is designed in true partnership with stakeholders.¹⁷ The CLC has [echoed the concerns of AHNT](#)¹⁸ that these rental increases could further exacerbate overcrowding in Alice Springs, and increase the number of people in town without a safe place to sleep.

Recommendation 5: That the NT Government reverse the Remote Rent Framework and work with the Aboriginal community-controlled sector to design a fair and workable rent-setting model.

¹⁵ Department of Territory Families, Housing and Communities, Remote Framework Safety Net Policy, 6 February 2023 ([link](#))

¹⁶ Department of Territory Families, Housing and Communities, Remote Framework Safety Net Policy, 6 February 2023 ([link](#))

¹⁷ AHNT Media Release: We oppose the NT Government's Remote Rent Framework, 21 September 2022 ([weblink](#))

¹⁸ AHNT Media Release: Remote rent hikes put more pressure on Alice Springs, 30 January 2023 ([weblink](#))



2.4 Transport

The NT has the highest average fuel price in the country and current diesel prices in remote communities in Central Australia are close to (and in some cases more than) \$3 per litre.¹⁹ For remote community residents, this makes transport between communities, into town for goods and services and out to homelands extremely costly and often prohibitive.

The lack of affordable public transport options for remote community residents compounds this. While some transport options exist between NT remote communities and major centres, there are gaps in the routes and fees are high. There is also no discount rate for Centrelink recipients, including aged pensioners. Rates for children are only marginally cheaper than for adults: for example a one way ticket on the Bush Bus from Alice Springs to Yuendumu is \$140 per adult and \$105 per child.

Recommendation 6: That remote transport providers are subsidised to provide reduced cost travel for Centrelink recipients, including aged pensioners and children.

3. Urgent action is needed to lift incomes and alleviate poverty in remote NT

The combined impact of deep and worsening poverty rates, and cost of living pressures that are even more extreme than those being felt elsewhere in the country, is having a corrosive effect on the lives of Aboriginal people in remote communities in the NT. The social challenges experienced in our region are a direct consequence of this inequality.

The hardship that Aboriginal families in our region are experiencing is certainly not new – but it is more acute than ever before. The CLC's submission to the *Inquiry into the extent and nature of poverty in Australia* has outlined a suite of practical policy measures that will make a tangible difference to the lives of our constituents. We have included that submission as an attachment to our submission to this inquiry and encourage the Committee to review it in full (**Attachment A**).

Here, we wish to emphasise three priorities that will lift incomes and make an immediate and sustained difference to the lives of Aboriginal people in our region.

3.1 Invest in job creation and scrap the failed Community Development Program (CDP)

The abolition of the grassroots-initiated Community Development and Employment Program (CDEP) by the Coalition Government from 2007 was one of the most disastrous policy decisions for the economic lives of Aboriginal people in remote communities. Since the late 1970s, the program had provided Aboriginal people in remote communities with access to part-time jobs that paid real wages in areas of community need. From it, sprang the sectors that have now become key job-generating industries in remote communities, including ranger programs and remote art centres.

¹⁹ MyFuel NT ([weblink](#)) See for example, Docker River (post code 0870)



The program's ultimate successor, the inaccurately named Community Development Program (CDP) (introduced in 2015), has categorically failed to contribute to improved employment outcomes in remote communities and has caused significant harm in the process.²⁰ In 2020-21, fewer than 4 per cent of participants were supported into jobs that last six months or more.²¹ The NT – where the majority of CDP participants reside – is the only jurisdiction where the employment gap is widening.²²

Meanwhile, the program has cost the Federal Government \$300-400 million to operate annually (this does not include income support payments to participants).²³ In the CLC region alone, \$48.9 million was paid to CDP providers in 2021-2022, a period when activities were made voluntary, leading to a decline in provider outputs.

The low levels of employment in remote Aboriginal communities, unhelpt by the flawed and harmful CDP, directly contributes to the high rates of poverty experienced by these communities.

For this reason, the CLC has strongly welcomed the Australian Government's commitment to scrapping CDP and replacing it with a program that creates real jobs, with proper wages and conditions, developed in partnership with First Nations communities. The introduction of the new Remote Jobs and Economic Development program, which is expected to create 3,000 remote jobs nationally, is a very positive start. To be a success, the program needs to aim not just to create jobs, but to strengthen Aboriginal communities.²⁴

This means ensuring that local people are the ones who decide what jobs are needed and wanted in their communities, prioritising jobs in Aboriginal community-controlled organisations, and creating opportunities for young people. The investment in job creation should grow over time: the CLC has previously recommended a remote jobs fund equivalent to 12,000 part time jobs (30 per cent of the CDP caseload) – that is, large enough to make a substantial difference to closing the employment gap in remote areas.²⁵

²⁰ Until mandatory activity requirements were scrapped in 2020, CDP participants (at least 80 per cent of whom are Indigenous) were expected to do more work-for-the-dole hours than participants of mainstream employment services elsewhere in the country and remained subject to harsh penalties for non-compliance. See 'Blatantly discriminatory': changes to work-for-dole scheme criticised', H. Davidson and C. Knaus, *The Guardian*, 11 May 2018 ([weblink](#))

²¹ Based on 1,639 six month job outcomes claimed by providers and caseload of 40,000, noting that a) claims can be made in cases where people find their own employment (i.e. the program has not assisted them to find that job), and that b) 40,000 is a point-in-time caseload, meaning that over the course of the year, many more than 40,000 people will participate in the program at some point. The estimate of 4 per cent is likely to be an *overestimate*. See also the Department of Prime Minister and Cabinet (2019) *The Community Development Programme: Evaluation of Participation and Employment Outcomes* ([weblink](#)), which shows the percentage of participants that achieved a six month job outcome was 6.9 percent (see Table 4.1, p.52).

²² Indigenous people in the NT experience by far the lowest rate of employment in the country, seeing a continued decline over the last decade from 42.8 per cent of Indigenous people aged 25-64 employed in 2011, to 35.4 per cent in 2016 and 34.3 per cent (Productivity Commission *Closing the Gap Dashboard: Socio-economic outcome area 8* ([weblink](#))). Employment rates are even lower in remote communities. This compares to the national employment rate for Indigenous people of 55.7 per cent in 2021 and the *Closing the Gap* target to see 62% of Aboriginal and Torres Strait Islander people aged 25-64 employed by 2030 (*ibid*).

²³ Hansard, Senate Estimates, Finance and Public Administration Legislation Committee, 24 November 2022, page 12. This is funding to CDP providers and doesn't include income support and other payments to participants.

²⁴ For the combined effects of the abolition of CDEP, the Intervention and shire amalgamation in the NT, see CLCL submission to the *Inquiry into the extent and nature of poverty in Australia* (2023), p.8 ([weblink](#))

²⁵ See APO NT (2023) *Fair Work and Strong Communities* (<https://apont.org.au/publications/>).



Success also requires a parallel focus on 1) significantly improving the quality of employment support provided to people in remote communities who are looking for work, 2) improving access to and the quality of training in remote communities, 3) providing access to high quality, appropriately tailored enterprise support in remote communities, and 4) improving access to, appropriateness of and quality of Centrelink service provision in remote communities.

These elements for successful remote employment reform are outlined in the Aboriginal Peak Organisations NT (APO NT) *Fair Work and Strong Communities* proposal, attached to this submission (Attachment B).²⁶

Recommendation 7: The Australian Government invest in community-led job creation in remote communities, continuing to work with the recently established First Nations Reference Group and other stakeholders to implement the new Remote Jobs and Economic Development Program.

The program must have an explicit focus on contributing to Closing the Gap targets 7 and 8 for youth and adult employment²⁷, reducing poverty and strengthening Aboriginal community-control.

The success of the program will require strong Aboriginal-led governance and a parallel focus on 1) significantly improving the quality of employment support provided to people in remote communities who are looking for work, 2) improving access to and the quality of training in remote communities, 3) providing access to high quality, appropriately tailored enterprise support in remote communities, and 4) improving access to, appropriateness of and quality of Centrelink service provision in remote communities.

Investment in remote job-creation and the supporting reforms must be sustained to make a substantial difference to closing the employment gap.

3.2 Equity in social security payments: increase the Remote Area Allowance

A second priority in this cost of living crisis must be to substantially increase the Remote Area Allowance (RAA) to appropriately account for the higher cost of living in very remote regions.

For many years, the Central Land Council has been calling for an increase to the RAA (in addition to the necessary increase to all income support payments). The RAA is a supplementary payment for income support recipients, introduced in 1984 to help compensate for the higher cost of living in remote regions (acknowledging that those individuals did not benefit from the zone tax offset). Two-thirds of recipients are First Nations people.²⁸ More than half of recipients live in the NT, followed by WA and QLD.²⁹

²⁶ Ibid.

²⁷ Target 7: By 2031, increase the proportion of Aboriginal and Torres Strait Islander youth (15-24 years) who are in employment, education or training to 67 per cent and Target 8: By 2031, increase the proportion of Aboriginal and Torres Strait Islander people aged 25-64 who are employed to 62 per cent. See Productivity Commission Closing the Gap Information Repository ([weblink](#))

²⁸ Productivity Commission (2020) Study Report: Remote area tax concessions and payments, p.44 ([weblink](#))

²⁹ Ibid, p.21.



The single person rate is currently only \$9.10 per week. It has only increased twice since 1984 (by a total of \$2.10 per week).³⁰ Furthermore, the payment is not indexed and has therefore fallen in real value over time.

[Recent analysis](#) by Dr Francis Markham is extremely helpful in estimating a fair increase to the RAA that would adequately account for the higher costs of living in remote communities in the NT – providing ‘horizontal equity’ in our social security system.³¹ As noted above, people living in remote communities are paying around 39 per cent more for the basics. In his analysis, Dr Markham provides a preliminary estimate of adequate increases that would equalise this cost of living disparity for different payment recipients.

When coupled with Dr Markham’s analysis of the deep and worsening poverty rates in remote NT communities presented above, there is a compelling case for a substantial increase to the RAA as a well-targeted measure to ease cost of living pressures for those who need it most. Equal standards of living for recipients of a given payment, regardless of location, should be a policy principle that underpins our social security system.

Recommendation 8: The Australian Government should ask the Economic Inclusion Advisory Committee to review the Remote Area Allowance, with a view to increasing the payment to appropriately account for the higher cost of living in remote areas and setting appropriate ongoing indexing arrangements.

Recommendation 9: The Australian Government should permanently and adequately increase Jobseeker and all other income support payments to keep people out of poverty, and provide for ongoing indexation of all payments.

3.3 Ensuring people are receiving the income support payments for which they are eligible

A third priority is to ensure that people who are eligible for income support payments are receiving those payments. The high numbers of Aboriginal people classified as Not in the Labour Force (NILF) and widespread anecdotal evidence indicate that a significant number of Aboriginal people in Central Australia are not employed and not receiving any form of government support.

This is a result of a number of contributing factors, including the high rates of penalties that were applied under the CDP program³², and the withdrawal of face-to-face Centrelink services across the region that has made it even more difficult for Aboriginal people, particularly those living in remote communities, to navigate the system.³³

³⁰ Australian Government Guide to Social Policy Law: Social Security Guide (Version 1.316 - Released 20 March 2024) 5.2.6.30 RAA - May 1984 to present date ([weblink](#))

³¹ Dr Francis Markham, ‘The poor pay more: Why the Remote Area Allowance needs urgent attention’, 12 February 2024, published by the Australian National University Tax and Transfer Policy Institute ([weblink](#))

³² An estimated 6,000 mostly young people ‘disappeared’ from CDP during the scheme’s most punitive years (from its introduction in 2015 to 2018). 60 per cent of those who disengaged from the scheme at this time were under 25, and another 31 per cent were 25-34 year olds. See ‘Work for the dole an ‘intergenerational time bomb’ for Indigenous communities, L. Allam, 12 October 2018 ([weblink](#))

³³ Centrelink services access across remote Central Australia has been poor for a long time. There are now only five staffed service centres across our vast region (Services Australia [website](#)). In many communities, the best people can hope for is access to a phone at the council office (with no assistance provided), and the very occasional mobile visiting service.



Anecdotally, it is young men who have 'dropped out of the system' in the greatest numbers and it has been described as an 'intergenerational time bomb'.³⁴ Having no income not only obviously affects the wellbeing of these individuals, but puts significant strain on family members, with ripple effects felt through communities.

While effort is required by the Federal Government over the long-term to improve the accessibility of Centrelink services in our region, this issue could be rectified in the short term if targeted resources were put into working with people to get them back onto the payments for which they are eligible. This could, for example, involve creating dedicated positions in CDP provider teams to undertake this work. Ensuring people are on the payments for which they are eligible would immediately ease the cost of living pressures experienced by Aboriginal people in remote NT.

Recommendation 10: That the Australian Government work urgently to ensure Aboriginal people living in remote communities are in receipt of the income support payments for which they are eligible, and that this is a matter monitored by the new Economic Inclusion Advisory Committee.

Recommendation 11: That the Australian Government expand access to face-to-face Centrelink service provision, including increasing the number of staffed Service Centres, in Central Australia.

As indicated above, the recommendations provided here to address the extreme financial hardship experienced by Aboriginal people living in remote NT – to ease cost of living pressures and increase incomes – are not exhaustive but they are an important start.

We strongly encourage the Committee to review the CLC's submission to the *Inquiry into the extent and nature of poverty in Australia*, including our recommendations relating to the provision of adequate housing in remote communities and on homelands, education provision and the provision of remote essential services, including water, roads and telecommunications. These recommendations provide a holistic picture of the policy change needed to address the deep and persistent inequality that holds our communities back.

We thank you for considering our submission and hope that the final report will account for the particular circumstances of remote Aboriginal communities who are bearing the brunt of this cost of living crisis harder than anyone else.

For any questions related to its content, please contact [REDACTED]

Yours sincerely,

[REDACTED]

Les Turner

CHIEF EXECUTIVE OFFICER

³⁴ 'Work for the dole an 'intergenerational time bomb' for Indigenous communities, L. Allam, 12 October 2018 ([weblink](#))