

# NTCOSS

NT Council of Social Service Inc.



## COST OF LIVING REPORT

Tracking changes in the cost of living, particularly for vulnerable and disadvantaged Northern Territorians: CPI rises over the past quarter and past year.



## ***NTCOSS Cost of Living Report***

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<b>Table of Contents</b>	i
<b>INTRODUCTION</b>	ii
<b>SECTION 1: December Quarter 2014 Cost of Living Changes</b>	1
Prices	1
Incomes	5
<b>Explanatory Notes</b>	6
1. CPI and SLCI	6
2. Limitations on the SLCI Data	6
3. Pension and Newstart (and Family Tax Benefit) Calculations for Table 2	7
4. How Pension rates are adjusted	7
<b>Sources</b>	8
<b>Figures</b>	
<i>Figure 1: Increases in Living Costs December Qtr 2014 – National Figures</i>	1
<i>Figure 2: Quarterly change in Generic CPI over the past 5 years - Darwin CPI vs National CPI</i>	2
<i>Figure 3: Generic CPI increases between Dec 2010 and Dec 2014 – States and Territories</i>	3
<i>Figure 4: Unleaded Fuel Price NT vs Australia</i>	4
<i>Figure 5: Unleaded Fuel Price NT Centres vs Australia</i>	4
<i>Figure 6: Percentage Change in Unleaded Fuel Price NT, Major Centres and Australia</i>	4
<i>Figure 7: Percentage Change in Diesel Price NT and Australia</i>	4
<b>Tables:</b>	
<i>Table 1: Cost of Living Changes December Qtr 2014 by expenditure type Darwin vs National</i>	2
<i>Table 2: Cost of Living Change for Income Support Recipients Dec Qtr 2013 –Dec Qtr 2014 Australia</i>	5

## Introduction

This report tracks changes in the cost of living, particularly for vulnerable and disadvantaged Northern Territorians.

This NTCOSS Cost of Living Reports focuses primarily on changes in Consumer Price Index (CPI) and Selected Living Cost Index (SLCI) figures over the past quarter and the past 12 months, but it does not contain a more in-depth analysis of cost of living trends in a specific area of concern in the NT, as occurs in other Cost of Living Reports. (This abridged format is currently used for every second Cost of Living Report).

There is, however, an additional section in this report, which is a comparison of the rate of change in the CPI for each of the states and territories. The report also briefly draws on the examples of changes in rent, fuel and food prices to demonstrate that benefits of a slowdown in CPI in do not necessarily flow down equally to all geographic areas or all demographic groups in the Territory.

This report uses the Australian Bureau of Statistics' SLCI Indexes (ABS, 2014a) and CPI (ABS, 2014d) to show changes in the cost of living in the last quarter and over the last 12 months. The Living Cost Indexes (LCI) have been designed to answer the question: 'By how much would after tax money incomes need to change to allow households to purchase the same quantity of consumer goods and services that they purchased in the base period?' (ABS, 2014a).

As a summary measure, the SLCIs are preferred over the better known CPI because the CPI is technically not a cost of living measure. The CPI tracks changes in the price of a specific basket of goods, but this basket includes goods and services that are not part of the expenditure of all households, and in particular, not part of the expenditure of poor households. This is important when considering the cost of living because if expenditure on bare essentials makes up the vast bulk (or entirety) of expenditure for low income households, then price increases in those areas are crucial. Increases in the prices of bare essentials may be masked in the generic CPI by rises or falls in other goods and services in the CPI basket, which may be discretionary items and therefore less relevant to low income households.

The SLCIs use a different methodology to the CPI (see Explanatory Note 1) and it disaggregates expenditure into a number of different household types (ABS, 2014b), although this *Cost of Living Update* focuses only on the "Aged Pension" and "Other government transfer recipient" figures (hereafter "Other Welfare Recipients"), as these are likely to represent the more disadvantaged households. While the SLCIs also have limitations in tracking cost of living changes for these groups (see Explanatory Note 2), they do provide a robust statistical base, a long time series, and quarterly tracking of changes – all of which provide useful data for analysis. This report also adds to the SLCI figures by putting a dollar value on the percentage changes in the indexes.

***NTCOSS acknowledges the generous time and resources and advice provided by SACOSS, whose Cost of Living Reports have contributed significantly to the development of this and previous NTCOSS Cost of Living Reports.***

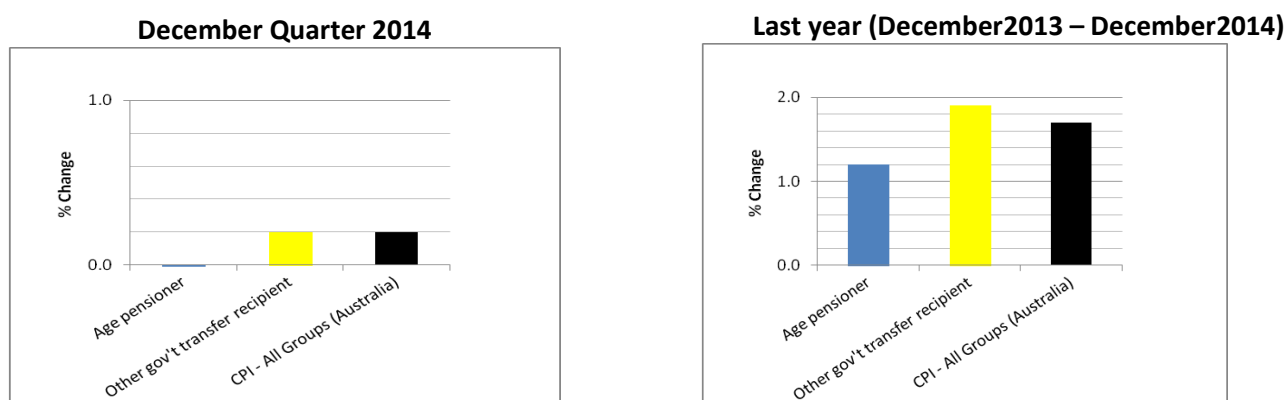
**Prices:** In the December 2014 quarter, the cost of living at the national level (as measured by the ABS Selected Living Cost Indexes (SLCI) *decreased* by 0.1% for Age Pensioners and increased by 0.2% for Other Welfare Recipients. In the same period, CPI rose by 0.2 % both nationally and in Darwin. (ABS, 2014a; ABS 2014d).

The major contributors to the decreases for Age Pensioner households were transport (2.6% decrease), due mainly to the fall in the fuel price, and health (2.5% decrease), which was a result of falls in pharmaceutical products , and these “fell mainly due to the cyclical effect of a greater proportion of consumers exceeding the Pharmaceutical Benefit Scheme (PBS) safety net compared to the September quarter 2014”. Age pensioner households have a higher expenditure on health than the general population”, so the health decrease is greatly beneficial for this group. On top of this, “the housing group in the SLCIs does not include new dwelling purchase by owner-occupiers, which was a strong contributor to the rise in the CPI this quarter. (ABS, 2014c).

In terms of the slight increase for Other Welfare Recipients, Housing (+0.4%) was a contributor, while transport (2.8% decrease) and health (3.2% decrease) contributed to a partial offset – due to the reasons outlined above. Other government transfer recipient households have a higher expenditure on transport and health, so these decreases are particularly beneficial to these households. (ABS, 2014c).

Over the last year (December Qtr 2013 – December Qtr 2014) the living cost indexes (SLCI) for Aged Pensioners increased by 1.2% and for Other Welfare Recipients it increased by 1.9%. Nationally, the CPI rose by 1.7%, while in Darwin the CPI rose by 1.9% in this 12 month period. (ABS 2014a; ABS 2014d).

**Figure 1: Increases in Living Costs December Qtr 2014 - National Figures**



Source: SLCI Figures taken from ABS (2014a) and ABS (2014d Tables 12 & 13)

Over the last year, the cost of living for Age Pensioners increased at a rate lower than the CPI increase, while for Other Welfare Recipients their living costs increased more than the CPI. It is also notable that the living costs of employees (1.6%) rose less steeply over the past year, than for Other Welfare Recipients, and under the rate of the generic national CPI rise (ABS, 2014a).

**This means that prices for the ‘basket’ of essential items bought by a large proportion of the population, who can least afford it (e.g. unemployed), is going up faster than for other sections of the population.**

These overall figures can be disaggregated to track changes in the price of key basic goods and services over the past year (Table 1). It is significant to note that there were some significant downward trends in key areas of expenditure, both in Darwin, and nationally - as well as increases in other areas - over the past year. For example, transport costs *decreased* both in Darwin (2.2% decrease) and across the country (1.9% decrease). In particular the price of fuel in Darwin (6.5% decrease) *dropped* significantly, as well as nationally (8.0% decrease), due to a drop in overseas oil prices. Electricity prices in Darwin *decreased* by 1.4%, though the decrease was not as high as that seen at the national level (4.4% decrease) and clothing and footwear *decreased* by 0.2% in Darwin and *decreased* by 1.5% nationally. In addition, the CPI for housing in Darwin (1.4%) increased at a rate lower than national rate of increase in CPI for housing (2.4%) and lower than the generic CPI for Darwin (1.9%).

In other areas, however, such as food, the CPI (2.4%), rose at a rate higher than the national CPI increase for food (2.0%), and higher than the generic CPI for Darwin (1.9%). Health costs also rose at a greater rate in Darwin (3.6%) compared with the generic CPI for Darwin. This trend was also seen at the national level (4.4% increase in CPI for food). Table 1 compares price changes in a number of basic necessities in Darwin with the changes nationally – covering both the last quarter and the past year, however they do not account for local variations in prices.

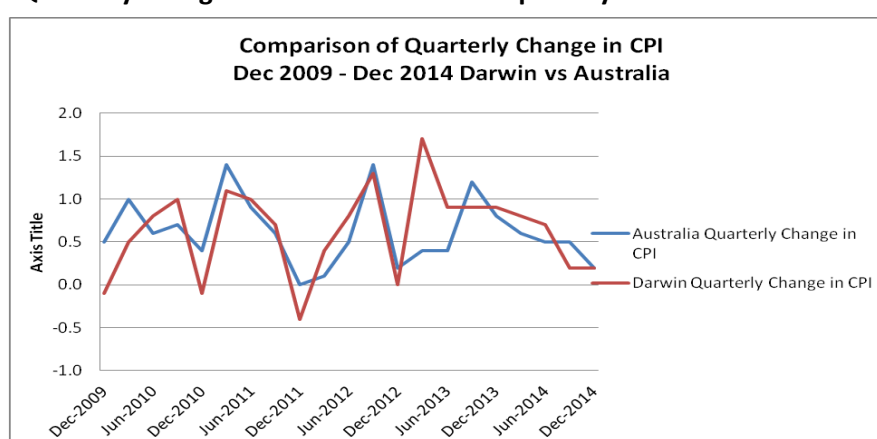
**Table 1: Cost of Living Changes December Qtr 2014 by expenditure type Darwin vs National**

Cost of Living Area	Darwin CPI December 2014 Qtr change %	National CPI December 2014 Qtr change %	Darwin CPI December 2013- December 2014 change %	National CPI December 013 – December 2014 change %
Food (& non-alcoholic beverages)	0.0%	0.1%	2.4%	2.0%
Clothing and footwear	1.9%	0.1%	-0.2%	-1.5%
Housing (includes utilities)	0.3%	0.5%	1.4%	2.4%
• Rent	0.5%	0.5%	2.7%	2.4%
• New Dwelling Purchase – owner/occupiers	-0.1%	1.1%	0.3%	4.0%
Health	-1.1%	-0.9%	3.6%	4.4 %
• Medical, dental and hospital services	-0.8%	-0.3%	5.4%	5.9%
Transport	-2.0%	-2.2%	-0.1%	-1.9%
• Automotive fuel	-1.4%	-6.8%	-6.5%	-8.0%
Utilities	0.2%	-0.3%	0.2%	-2.0%
• Electricity	0.0%	0.0%	-1.4%	-4.4%
• Water & Sewerage	0.0%	-0.1%	4.9%	0.4%
• Gas & Other Household Fuels	5.3%	-1.3%	1.6%	2.5%
<b>CPI All Groups</b>	<b>0.2%</b>	<b>0.2 %</b>	<b>1.9%</b>	<b>1.7%</b>

Source: ABS (2014d Tables 12 & 13)

The downward trend in the CPI of 0.2% for Darwin in this quarter (as well as the preceding one), is welcome, however, as Figure 2 shows, the CPI for Darwin has fluctuated significantly over the last five years. Only time will tell if the current lower rate of increase in the CPI can be sustained. In addition there are a range of factors which impact on CPI levels which are largely outside of the control of states and territories, such as the value of the Australian dollar and world oil prices, which have both impacted on recent CPI levels.

**Figure 2: Quarterly change in Generic CPI over the past 5 years - Darwin CPI vs National CPI**

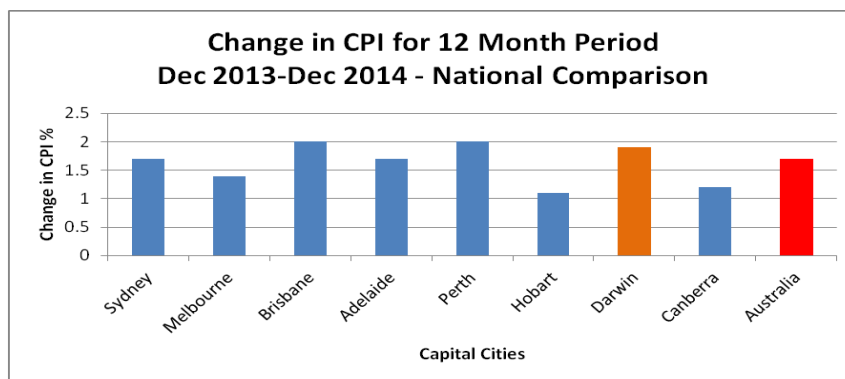


Source: ABS (2014d Tables 13)

It is also important to note that the slower rate of CPI increase has occurred broadly across the country, with most capital cities enjoying relatively low levels of CPI rises at the moment and not just Darwin. (All states and territories had lower rises in 2014 than in 2013). This point is underlined by the fact that while the current 12 month CPI figure is the lowest for Darwin since the 12 months ending June 2012, this is also the case for Sydney, Melbourne, and Canberra, as well as for the country as a whole. In addition, as Figure 3 reveals, the CPI increase

of 1.9 % in Darwin over the past 12 months (Dec 2013 - Dec 2014) is higher than the national CPI increase of 1.7%, and is currently higher than 5 other jurisdictions (Only Brisbane and Perth (2%) had a higher rate of CPI increase). Future events impacting on Australia as a whole, which cannot be predicted, could affect the CPI nationally and therefore CPI for the states and territories as well, down the track. Notwithstanding this, the economic forecasts for the NT for the next five years are very positive (see section below on Deloitte Access Economics Report).

**Figure 3: Generic CPI increases between Dec 2010 and Dec 2014 – States and Territories**



*Source: Calculations derived from ABS (2014d Table 12)*

NTCOSS notes that the latest Deloitte Access Economics (DAE) report, cited in the Northern Territory Government (2014a, p.1-2), predicts strong economic growth over the next five years to 2018-19 (an average of 4.2% per annum vs. the national forecast figure of an average 2.8% per annum), as well as strong employment growth forecast over the next five years (of 2.0% vs. the national forecast of 1.6%). In addition DAE have forecast the CPI to increase by an average of 2.4 per cent per annum over this period, which is below the national average of 2.5 per cent, and is forecast to be the second lowest rate of CPI increase in the country (level with the ACT and Tasmania), with only South Australia having a lower forecast rate of CPI increase (p.4).

**It is important to note, however, that an overall slowing in the rate at which CPI increases, does not necessarily reflect the change in CPI for expenditure items that are more common for people on low incomes. In addition, price decreases in one part of the NT may not be enjoyed by households in another part of the NT.** The examples of rent, fuel and food prices will be used here to illustrate this point.

### **Rent Costs**

Even though the CPI for housing in the NT rose at a slower rate (1.4%) than CPI for housing nationally (2.4%), and below the generic Darwin CPI rise of 1.9%, the disaggregated housing figures show that the CPI for rent in the NT (2.7%), was higher than the generic NT CPI figure, as well as being above the national increase in rent (2.4%). With low income households more likely to be in rental situations, the benefits of a slowdown in CPI in the NT do not flow down equally to all Territorians.

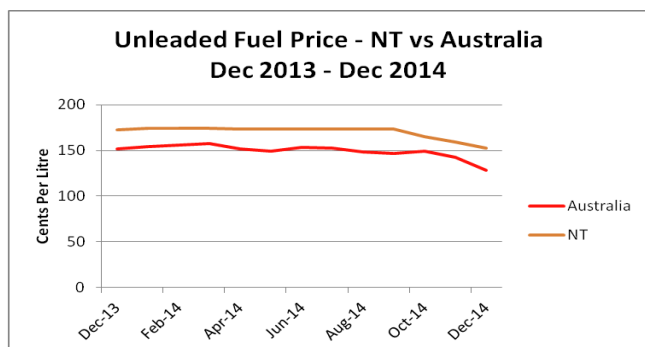
### **Fuel Prices**

While the CPI figures only cover capital cities, further fuel price information for the NT is maintained<sup>1</sup>, and is published by the NT Government (2014b) in monthly economic briefs, although they do state that “Caution is advised when using monthly data for the Territory, which is often derived from small samples and highly volatile”. However examining the patterns of prices between regions, and the percentage changes in price does provide an indication of the price movements across the NT. This data shows the price of unleaded petrol over the past year in Darwin fell at almost twice the rate (13.5%) of the decrease in Alice Springs (7.2%). Katherine (9.8%) and Tennant Creek (10.4%) also saw prices fall more slowly than the Darwin rate, though Katherine’s fuel price 12 months ago (165.0 cents per litre (cpl) was lower than Darwin’s (171.9), but by December 2014, their prices were almost the same (148.8 vs 148.7 cpl). The rate of decrease for the NT as whole was 12% in this period, compared with a national drop of 15.6% (see also Figure 7 re Diesel prices). **While the price decreases across the Territory are clearly welcome, it is important to acknowledge the disparity in price decreases across different regions.**

<sup>1</sup> The NTG sources its data from: Australian Institute of Petroleum, Commonwealth Bank of Australia, Reserve Bank of Australia

The average price of unleaded fuel in the NT fell from 173 to 152.3 cpl, while nationally, the price went down from 152.1 to 128.4 cpl in the past year (NTG (2014b)). The price in Darwin dropped dramatically (by 11.3 cpl) in October, particularly from 20-25 October (AIP (2015)), after the NT Government's Fuel Summit (7 October), with further decreases following in November and December as a result of the fall in global oil prices (despite the introduction of the fuel excise nationally in December 2014). Alice Springs and Tennant Creek did not experience a significant drop in price until December 2014, with the October Fuel Summit having no noticeable impact on prices in these two towns (with prices in both towns rising slightly during October 2014). (NTG (2014b)).

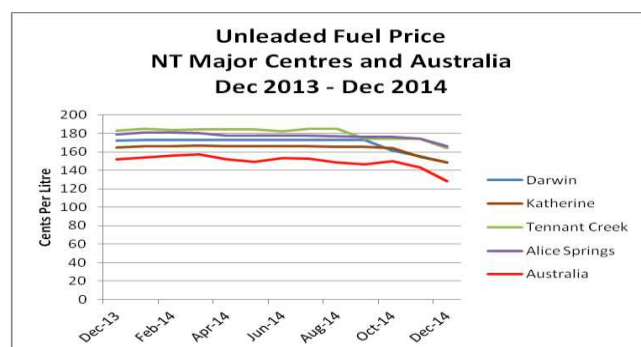
**Figure 4: Unleaded Fuel Price NT vs Australia**



Source: Calculations derived from NTG (2014b)

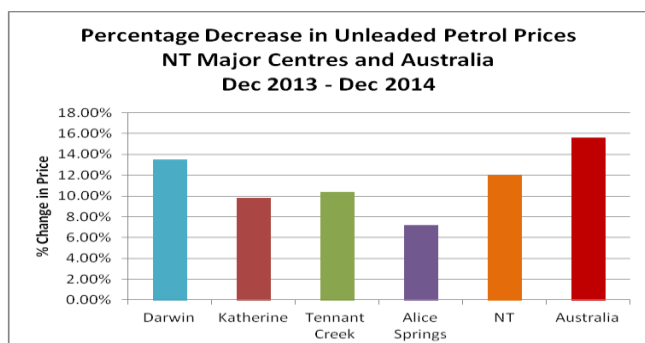
Note: In Figure 5, it is difficult to distinguish the lines for Tennant Creek and Alice Springs from Sep 2014 onwards; and Darwin and Katherine from Nov 2014 onwards, as the respective figures are very closely aligned.

**Figure 5: Unleaded Fuel Price NT Centres vs Australia**



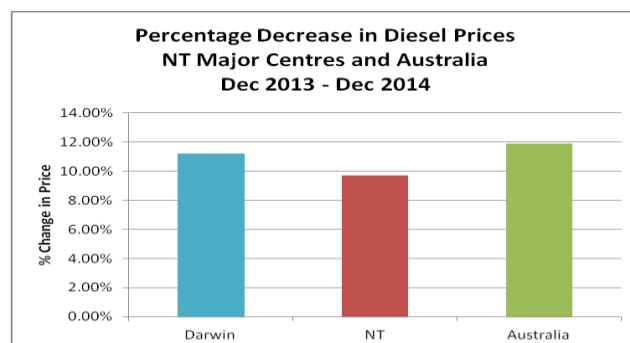
Source: Calculations derived from NTG (2014b)

**Figure 6: Decrease in Unleaded Petrol NT and Australia**



Source: Calculations derived from NTG (2014b)

**Figure 7: Decrease in Unleaded Petrol NT and Australia**



Source: Calculations derived from NTG (2014b)

Figures for Diesel not available for regional centres of the NT

**While NTCOSS is aware of further decreases in price during January 2015 (especially in Alice Springs, where the average price dropped 27 cpl to 138.9 cpl), this report is focusing on the December 2014 quarter.**

Despite the very significant price drop in unleaded petrol in Darwin in recent months, it is still the most expensive city for unleaded petrol prices in the country as of the end of December 2014 (AIP (2015)), and as at January 2015. Diesel prices decreased overall during the past year, with the NT as a whole decreasing by 9.7%, and Darwin prices decreasing by 11.2% - both under the national decrease of 11.9%.

## Food Prices

Another example of a disparity in the spread of benefits across the NT of a generic CPI decrease is in relation to food prices, which are an essential item and make up a significant proportion of weekly household budgets, especially for lower income households. The CPI for food in Darwin (2.4 %) increased above the generic Darwin CPI rate over the past year (see table 1). The recently released NT Government Market Basket Survey Report (2014), which uses a different basket of goods, reveals that in 2014 the average cost of the food basket in district centre supermarkets increased by less than 1% (below the food CPI increase). However in remote stores the average cost increased by 5%, when compared to 2013 prices. This means that while households in larger centres are enjoying the benefits of a slowing down of the rate of increase in the generic CPI, remote households are still



having to pay disproportionately more for their food when shopping locally – requiring 34% of their family income to purchase the food basket – and prices are rising at a higher rate than in major centres. Remote households are paying 50% more for the same goods when compared with a family shopping at a Darwin supermarket. In light of this NTCOSS reiterates its call for the NT Government to establish a Food Summit, following on the success of the 2013 Fuel Summit, to address this critical issue.

**While households in larger centres are enjoying the benefits of a slowing down of the rate of increase in the CPI, remote households are still having to pay disproportionately more for their food.**

**Incomes:** Given that welfare recipients have very low incomes, it is unlikely that any significant amount of the weekly benefit can be saved, at least for those not able to supplement their government transfer payments with additional income. For someone on the base level of benefits, and assuming they spend all their income, NTCOSS has calculated the dollar value of changes in cost of living over the past year, as shown in Table 2.

**Table 2: Cost of Living Change for Income Support Recipients Dec Qtr 2013 –Dec Qtr 2014 Australia**

	Base Rate*Benefit per week (31 Dec 2013)	Base Rate* Benefit per week (31 Dec2014)	Selected Living Cost Index change %	Amount per week increase in 'cost of living' \$	Amount per week increase in base payment rates \$
<b>Aged Pensioner</b>	\$413.55	\$427.15	1.2%	\$4.96	\$13.60
<b>Newstart single – no children</b>	\$254.75	\$262.20	1.9%	\$4.84	\$7.45
<b>Newstart single – 2 children &amp; FTB A &amp; B</b>	\$527.95	\$542.72	1.9%	\$10.03	\$14.77

*Sources: Centrelink, 2013 & 2014; ABS 2014a. See Explanatory Note 3 re. how figures derived  
For simplicity, supplements & Rent Assistance not included in Table 2, as these can vary from person to person.*

For those whose only source of income is a base-rate government benefit, and who spend all their income, as their budget doesn't allow any leftover to save, the cost of living over the last year increased by \$4.96 a week for pensioners, but this was more than covered by the increase in the base rate of the pension of \$13.60 per week over the same period. For single people on Newstart, the cost of living rose by \$4.84 per week, while the base Newstart rate rose by \$7.45 per week, also more than covering the increase in living costs. For sole parents with 2 children, receiving Newstart and FTB (A & B), the cost of living rose by \$10.03 a week, and this cost of living increase was also covered with their payment rate rising by \$14.77 per week (Centrelink 2013 and 2014).

These figures clearly represent some good news for households who rely on income support payments and it does point to an easing of cost of living pressures. However, it should be remembered that the fact that their income has gone up faster than the cost of living for this past quarter is (in part for aged pensioners<sup>2</sup> and fully for other welfare recipients) the result of the time lag in indexing payments. In that sense, the "excess" of this quarter is simply the beginning of catching up with previous quarters of higher CPI, and in the case of those on Newstart and Youth Allowance, it is from an already inadequate base rate.

These figures underline the importance of the current method of indexation used to adjust pensions, with payments pegged to wages and prices. The inadequate indexing that Newstart and other base level benefit payments receive, being pegged to CPI only, means that increases in allowances cannot always keep up with the cost of living.

**With the low base payments for allowances, Newstart payments lag further behind pensions and are currently \$165 lower p/w. It is therefore critical that the Federal Government commit to increase Newstart and other base level payments by \$50 p/w.**

<sup>2</sup> Only 'in part' for pensioners because they are indexed to wages or CPI, so their income increases may reflect wage rises not CPI lag.

## **Explanatory Notes**

### **1. CPI and Living Cost Indexes**

The ABS Selected Living Cost Indexes (SLCI) uses a different methodology to the CPI in that the CPI is based on acquisition (i.e. the price at the time of acquisition of a product) while the living cost index is based on actual expenditure. This is particularly relevant in relation to housing costs where CPI traces changes in house prices, while the SLCI traces changes in the amount expended each week on housing (e.g. mortgage repayments). Further information is available in the Explanatory Notes to the Selected Living Cost Indexes (ABS, 2014b).

In that sense, the Selected Living Cost Indexes 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.

### **2. Limitations of the Selected Living Cost Indexes**

The Selected Living Cost Indexes 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 the most vulnerable and disadvantaged in the Northern Territory. While it is safe to assume that welfare recipients are among the most vulnerable and disadvantaged, any household-based data for multi-person households indicates nothing about distribution of power, money and expenditure within a household and may therefore hide particular (and often gendered) structures of vulnerability and disadvantage. Further, the living cost indexes are not state-based, so particular Northern Territory trends or circumstances may not show up.

At the more technical level, the Selected Living Cost Indexes 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 Living Cost Index figures reflect broad averages (even if more nuanced), but do not reflect the experience of the poorest in those categories.

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” 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 has to pay market rents; as an example, if the market rent were \$300 per week, the average expenditure on rent between the two would be \$150 per week, much less than what the renting pensioner was actually paying.

The weightings in the Selected Living Cost Indexes are also based on a set point in time (from the 2009-10 ABS *Household Expenditure Survey*) and can't 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 or additionally, expenditure patterns may change for a variety of other reasons. However, the weighting in the indexes does not change and so does not track the expenditure substitutions and the impact that has on cost of living and lifestyle.

Finally, the Selected Living Cost Indexes' household income figures are based on households that are the average size for that household type: 1.52 people for the Aged Pensioners and 2.57 for the Other Welfare Recipients (ABS, 2014b). This makes comparison with allowances difficult. This Report generally 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.

It is inevitable that any summary measure will have limitations, and as noted in the main text, the Selected Living Cost Indexes provide a robust statistical base, a long time series, and quarterly tracking of changes in the cost of living which is somewhat sensitive to low income earners.

### 3. Pension and Newstart (and Family Tax Benefit) Calculations for Table 2

These figures reflect payment levels for a single Aged Pensioner; a single Newstart recipient with no children; and a single Newstart recipient with two children (aged 10 and 14), who do not receive Commonwealth Rent Assistance. There is obviously variation in payment rates for different recipients, depending on family structure, number and age of children etc. Payment rates for single people are used here for simplicity – as partner's income for partnered recipients adds another layer of complexity.

#### Weekly Payment Rates at 31 December 2013\*

	Base Rate	Pension Supp	Household Assistance Package	FTB A child u13	FTB A child 13-15	FTB B	Pharmac Benefit	TOTAL PAYMENT
Aged Pension - single	\$375.85	\$30.85	\$6.85					\$413.55
Newstart – single, no children	250.50		\$4.25					\$254.75
Newstart - 2 children	\$271.05		\$4.60	\$86.10	\$112.00	\$51.10	\$3.10	\$527.95

#### Weekly Payment Rates at 31 December 2014\*

	Base Rate	Pension Supp	Household Assistance Package	FTB A child u13	FTB A child 13-15	FTB B	Pharmac Benefit	TOTAL PAYMENT
Aged Pension - single	\$388.35	\$31.75	\$7.05					\$427.15
Newstart – single, no children	\$257.80		\$4.40					\$262.20
Newstart – single, 2 children	\$278.95		\$4.75	\$88.41	\$115.01	\$52.50	\$3.10	\$542.72

*Note - All figures are based on maximum rates of payment where relevant*

*Pharmaceutical benefit included in Newstart 2 children calculations, but was excluded (in error) from previous NTCOSS Cost of Living reports*

*\*The Household Assistance Package (HAS) payments to address carbon tax price increases were made available to most pensioners and adult allowance recipients (incl. Newstart) from 20 March 2013. From 19 September to 31 December 2014, these payments added \$7.05 a week to the single pension, \$4.40 to Newstart for singles and \$4.75 to those with dependent children, and are included in calculations used in Table 2. (Figures from Centrelink 2013 & 2014).*

### 4. How Pension rates are adjusted

“Currently, pensions (including the Age Pension, Service Pension, Disability Support Pension and Carer Payment) are indexed twice each year by the greater of the movement in the Consumer Price Index (CPI) or the Pensioner and Beneficiary Living Cost Index (PBLCI). They are then ‘benchmarked’ against a percentage of Male Total Average Weekly Earnings (MTAWE). The combined couple rate is benchmarked to 41.76% of MTAWE; the single rate of pension is set at 66.33% of the combined couple rate (which is equal to around 27.7% of MTAWE). ‘Benchmarked’ means that after it has been indexed, the combined couple rate is checked to see whether it is equal to or higher than 41.76% of MTAWE. If the rate is lower than this percentage, the rates are increased to the appropriate benchmark level.” (Parliamentary Library, 2014).

“The CPI is a measure of changes in the prices paid by households for a fixed basket of goods and services. Indexing pension rates to CPI maintains the real value of pensions over time. The PBLCI measures the effect of changes in prices of the out-of-pocket living expenses experienced by age pensioner and other households whose main source of income is a government payment. The PBLCI is designed to check whether their disposable incomes have kept pace with price changes. The MTAWE benchmark is not intended to maintain the value of the pension relative to costs; it is seen as ensuring pensioners maintain a certain standard of living, relative to the rest of the population.” (Parliamentary Library, 2014).

Note: Allowance payments, such as Newstart and Youth Allowance are indexed to the CPI only, and are adjusted every 6 months, in March and September.

## Sources

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