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NT Council of Social Service Inc.

COST OF LIVING REPORT

Tracking changes in the cost of living, particularly for vulnerable and disadvantaged Northern Territorians: The Cost of Health in the Territory

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Introduction

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

The first part uses the Australian Bureau of Statistics' Selected Living Cost Indexes (ABS, 2014a) and Consumer Price Index (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 Selected Living Cost Indexes are preferred over the better known Consumer Price Index (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 Selected Living Cost Indexes 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 Selected Living Cost Indexes 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 Selected Living Cost Indexes figures by putting a dollar value on the percentage changes in the indexes, and by using disaggregated CPI data to summarise change in prices of key items.

The second section of the NTCOSS *Cost of Living Report* contains a more in-depth analysis of cost of living trends in one key area of concern in relation to cost of living pressures on vulnerable and disadvantaged Northern Territorians. This *Report* focuses on the cost of transport and using ABS Household Expenditure Survey (2009-10) Data (ABS, 2011a-d) and ABS CPI figures for Darwin, comparing these with national and state/Territory figures, as well as quantitative and qualitative data from a range of other sources.

In Table 2 Cost of Living Change March Qtr 2013 –March Qtr 2014 Australia, which compares three income support payments with changes in the cost of living; a change was made to the calculations of the Age Pension rate for the purpose of this table, with the maximum rate of Pension Supplement being added to the base rate of payment. Adding this supplement gives a truer indication of the overall weekly payment for many people on an Aged Pension, and also highlights the stark reality of the difference between a pension payment and the Newstart Payment.

In addition, there is a new section at the end of the report in the Appendix which provides information on the constituent parts of the HES categories, as well as CPI Categories.

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 NTCOSS Cost of Living Report.

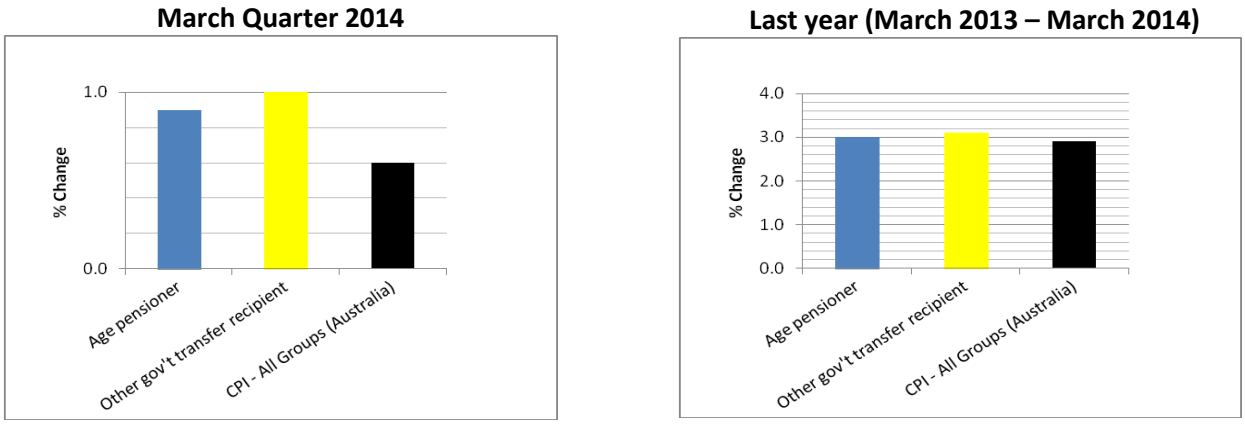
SECTION 1 March Quarter 2014 Cost of Living Changes

Prices: In the March 2014 quarter, the cost of living (as measured by the ABS Selected Living Cost Indexes (SLCI) rose by 0.9 for Age Pensioners and 1.1 for Other Welfare Recipients, at the national level. In the same period, CPI rose by 0.6 % overall nationally and 0.8% in Darwin. (ABS, 2014a; ABS 2014d).

The major contributors to the price rises included health mainly due to the cyclical reduction in the proportion of patients who qualify for subsidies under the MBS and PBS at the start of each calendar year, as well as housing and transport. Age pensioner households, in particular, have a relatively higher proportion of expenditure on health. For Age Pensioners, the most significant partially offsetting fall was in furnishings, household equipment and services largely due to falls in furniture and personal care products; while for Other Welfare Recipients falls were seen in clothing and footwear (-2.3%) footwear, mainly due to post Christmas sales. (ABS, 2014c).

Over the last year (March Qtr 2013 – March Qtr 2014) the living cost indexes (SLCI) for Aged Pensioners increased by 3.0%, while for Other Welfare Recipients it increased by 3.1%. Nationally, CPI rose by 2.9%. In Darwin the CPI rose by 3.6% in the 12 month period. (ABS 2014a; ABS 2014d).

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



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

The cost of living for Age Pensioners and Other Welfare Recipients over the last year increased more than the CPI. It is notable that the living costs of employees (2.1%) rose far less steeply over the past year, than for pensioners and Other Welfare Recipients, and well under the rate of the national CPI rise (ABS, 2014a).

This means that prices for the 'basket' of essential items bought by those who can least afford it, is going up faster than for other sections of the population whose basket of goods and services is different.

These overall figures can be disaggregated to track changes in the price of key basic goods and services over the past year in Darwin and nationally (Table 1). Significant trends are evident from the past year, with Darwin prices rising significantly more than prices nationally in a couple of key areas. Housing (4.4%) and health (6.1%), for example, both rose faster than the corresponding national CPI for those items (3.6%; 4.0% respectively), and higher than the national (2.9) and Territory (3.6) CPI rates (ABS 2014d).

Darwin rents in particular rose much faster (6.3%), over the past year than the national CPI figure for rent (2.9%) and more than the national CPI (also 2.9.6%). New house prices in the Territory, however, went up at a much lower rate (2.3%) than the rent increase (6.3%) (ABS 2014d), which is significant as rent increases disproportionately hurt poorer households. The CPI figures for Medical and hospital services (9.1%) in Darwin increased significantly over the past year, much higher than the national rate (5.4%), and at a significantly greater rate than the national and Territory general CPI rates (see Table 1).

The figures (Table 1) below compare price changes in a number of basic necessities in Darwin with the national changes in the last quarter, and over the last year, however they do not account for local variations in prices.

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

Cost of Living Area	Darwin CPI March 2014 Qtr change %	National CPI March 2014 Qtr change %	Darwin CPI March 2013-March 2014 change %	National CPI March 2013 - March 2014 change %
Food (& non-alcoholic beverages)	0.4	0.3	2.2	2.2
Clothing and footwear	-0.2	-2.1	-0.2	0.5
Housing (includes utilities)	1.2	0.6	4.4	3.6
• Rent	0.8	0.7	6.3	2.9
• New Dwelling Purchase – owner/occupiers	0.1	0.1	2.3	2.4
Health	2.2	2.6	6.1	4.0
• Medical products, appliances and equipment*	3.3	5.4	1.2	1.1
• Medical, dental and hospital services	1.8	1.8	7.9	4.9
Transport	0.7	1.1	2.3	2.5
• Automotive fuel	2.5	4.1	6.6	7.4
Utilities	5.3	1.4	6.6	6.8
CPI All Groups	**0.8**	**0.6**	**3.6**	**2.9**

*Source: ABS, 2014d Tables 12 & 13. *includes pharmaceutical products*

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 March Qtr 2013 –March Qtr 2014 Australia

	Base Rate Benefit per week $ (19 March 2013)	Base Rate Benefit per week $ (19 March 2014)	Selected Living Cost Index change %	Amount per week increase in 'cost of living' $	Amount per week increase in base payment rates $
Aged Pensioner	$386.30	$413.55	3.0%	$11.59	$27.25
Newstart single – no children	$246.30	$254.75	3.1%	$7.64	$8.45
Newstart single – 2 children & FTB A & B	$511.99	$524.85	3.1%	$15.87	$12.86

Newstart Single 2 children figures based on one child under 13 and one b/w 13-19.Sources: Centrelink, 2013 & 2014; ABS 2014a. 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, the cost of living over the last year increased by $11.59 a week for pensioners, while the base rate pension rose by $27.25 per week, in the same period. For single people on Newstart, the cost of living rose by $7.64 per week, and the base Newstart rate rose by $8.45 per week, marginally ahead of the increase in living costs. However, for sole parents with 2 children, receiving Newstart and FTB (A & B), the cost of living rose by $15.87 a week, however their payment rate only rose by $12.86 per week (Centrelink 2013 and 2014). These figures are not typical and should be treated with caution, as the 2014 figures include the Household Assistance Package, introduced to compensate for the impact of the carbon price, which were not in place 12 months prior.

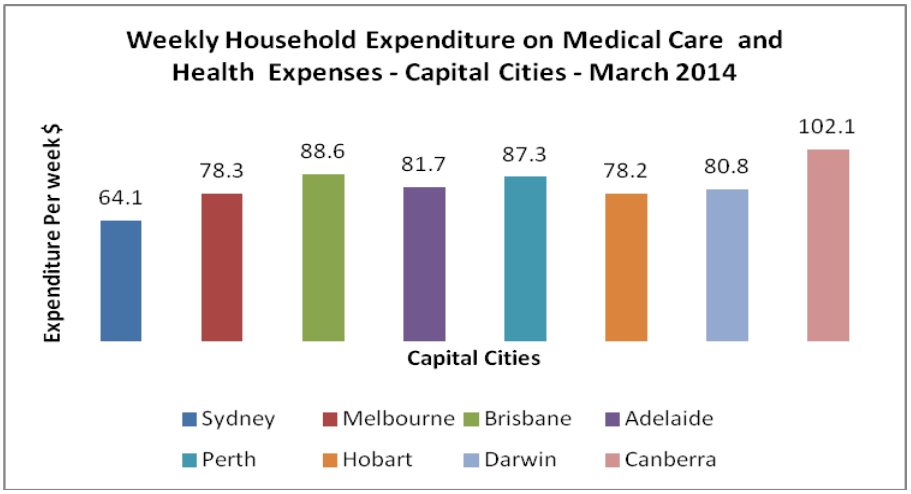
These figures underline the importance of these base payments, but it is likely that with the low base payment and inadequate indexing that Newstart and other base level benefit payments will continue to lag behind pensions (currently $158 lower p/w*), unless the Federal Government commit to increase Newstart and other base level payments by $50 p/w.

* *The payment gap between the Age Pension and Newstart in this report is considerably higher than that noted in the three previous reports, due to the inclusion of the Pension Supplement payment in calculations (as at 19 March 2014)*

SECTION 2: Health Expenditure

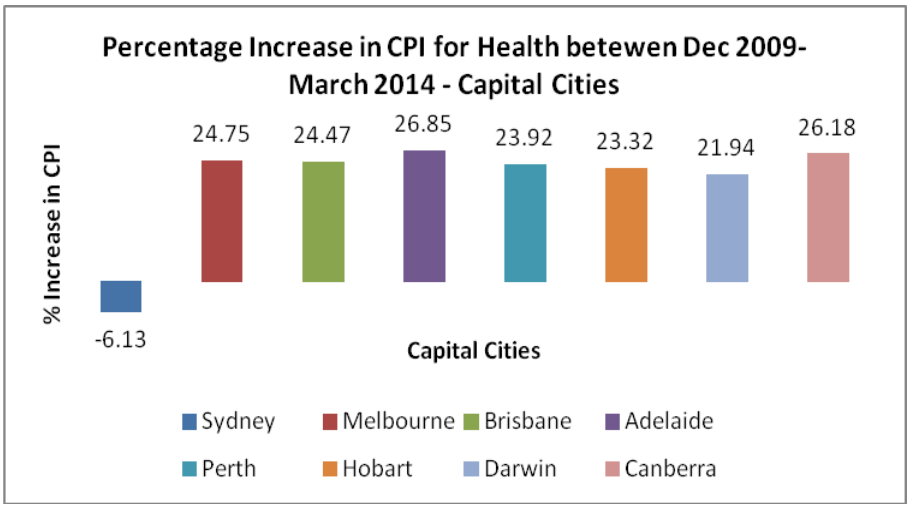
The price of health care is an important cost of living pressure for many people in the Northern Territory. The ABS 2009-10 *Household Expenditure Survey* (HES) shows that on average, medical care and health expenses account for 4.16% of expenditure for Northern Territory households (ABS, 2011c). While this may not appear to be a major contributor to driving up cost of living pressures, health expenditure currently averages $76.10 per week for Territorian households[1], and this is still a significant component of a household's weekly budget. This figure has risen from $62.42 in just over four years (HES 2009/10). For Darwin households, expenditure is slightly higher, accounting for 4.52% of weekly expenditure, equating to $80.80 per week, up from $66.30 over the same time period (see Figure 2), and represents an increase of 21.94% over this period (Figure 3).

Figure 2 Weekly Household Expenditure on Health – Capital Cities March 2014



Source: Calculations derived from ABS 2011b, indexed to Darwin CPI (ABS 2014d)

Figure 3 Percentage Increase in Expenditure on Health – Capital Cities Dec 2009 - March 2014



Source: Calculations derived from ABS 2011b indexed to Darwin CPI (ABS 2014d)

It is important to note that household expenditure figures are quite susceptible to problems of "averaging out". This means that the true significance of health costs for some households could be understated. Many households, for example, may spend little or nothing on health costs, while in households with one or more people with a chronic illness or an ongoing medical problem, expenditure on healthcare can be a major part of the household budget. This expenditure can be a significant contributor to levels of poverty and disadvantage.

[1] Source: Calculation of NT figure derived from ABS 2011b (Tables 27A) indexed to Darwin CPI (ABS 2014d). See also Explanatory Notes

Certain demographic groups are likely to spend more on health and be more vulnerable to the rises in health prices. National figures[2] demonstrate that in households where the primary source of income was the aged pension, health costs accounted for 11% of household expenditure, which is well above the 5.3% national average for all households (see Table 3 below). (Specific figures for the aged pension are not available for Darwin or NT households).

Australian households in the lowest income bracket spent an average of 6.9% of household income on medical care and health expense which is also above the all households' average of 5.3% (Table 3). One factor in this is that health problems can limit the ability of people to obtain and maintain a job and earn an income, and many people with chronic illness are reliant on the Disability Support Pension, or can only do part time or short term work. In addition, Disability Support Pension recipients may have to rely on family members or community organisations for financial support just to survive at times.

Table 3: Medical Care and Health Expenses - Expenditure by Household Type, Australia

	Ave. Weekly Expend $ Dec 2009	Ave. Weekly Expend $ March 2014	Medical Care and Expenses as % of H/hold Expend
Lowest Income Quintile	$38.35	$48.10	6.9%
Second Income Quintile	$39.32	$49.30	4.8%
Third Income Quintile	$68.21	$85.50	5.8%
Fourth Income Quintile	$73.37	$92.00	5.0%
Highest Income Quintile	$108.78	$136.40	5.0%
All Households	**$65.60**	**$82.20**	**5.3%**
Welfare Recipients	$47.09	$59.00	7.7%
• Age Pension	$62.04	$77.80	11.0%
• Disability and Carer Payments	$65.67	$82.30	9.0%
• Unemployment/Study Payments	$19.42	$24.30	2.7%
• Family Support Payments	$33.80	$42.40	4.1%

Source: Figures taken from ABS 2011b (Tables 3A, 11A), with 2014 figures based on 2009 figures indexed using Darwin CPI Figures (ABS 2014d)

Table 4: Medical Care and Health Expenses - Expenditure by Household Type, Northern Territory

	Medical Care and Health Expenses (NT)		Medical Care and Health Expenses as % of H/hold Expend
	Ave. Weekly Expend $ Dec 2009	Ave. Weekly Spend $ March 2014	
Lowest Income Quintile*	$12.58*	$15.30	2.4%
Second Income Quintile*	$27.12*	$33.10	3.3%
Third Income Quintile	$37.38	$45.60	2.6%
Fourth Income Quintile	$55.03	$67.10	3.4%
Highest Income Quintile*	$130.72*	$159.40	5.9%*
All households	**$62.42**	**$76.10**	**4.2%**

Source: ABS (2011c). 2014 figures based on 2009 figures indexed using Darwin CPI Figures (ABS 2014d). Note: Figures not available for Darwin
** Lowest, Second and Highest Income Quintile figures - estimates have a relative standard error of 25% to 50% and should be used with caution*

[2] The HES data does not disaggregate the NT data for welfare recipients – so have to rely on national figures

The Northern Territory figures for the 3 lowest income quintiles range between 2.4 to 3.3% of household expenditure, which are all below the national rate of 5.3% (Table 4). One of the reasons for this could be that many Aboriginal households in the NT (many of whom fall into the lower income quintile brackets) can access bulk billing services provided by Aboriginal Medical Services.

It should also be noted that because CPI figures are only collected in capital cities, the data is limited in terms of considering health cost of living pressures outside of the city. ABS figures show that the average (median) household income in the Northern Territory ($87,048) is significantly higher than the 2011 national average ($64,168) figures (ABS (2011f). The high NT income figure is due to a concentration of people in high income earning professions such as full time professionals and managers as well as well paid workers in the mining sector. However, there are also a large number of people on lower incomes or unemployed. A sole parent with 2 children on Newstart (and Family Tax Benefit A & B), for example, would receive $27,292 per annum (base payment rate – see Table 2).

Average Household Income in the NT

On top of this, the NT median income figures do not take account of regional differences, where for example, the median wage in Alice Springs ($60,112), was below the national median and well below the NT median (ABS (2011f)). The cost of living in many categories (food, housing, clothes) remain the same regardless of income levels, meaning rises in the cost of living can disproportionately impact people on low incomes . In fact the cost of living is often higher in very remote bush communities and for people living in Town Camps.

Health costs impact disproportionately on people in the lower income brackets, despite the fact that higher income earners actually spend more on health care. This is because higher income households have much more room in their budgets to absorb price rises, than do low income earners. While bulk billing medical practices are quite prevalent in larger cities, it is not the case in parts of the Northern Territory, particularly for non-Aboriginal people, which has a disproportionate impact on low income households.

On top of the impact on cost of living issues, health care costs also directly impacts health outcomes for many people. For some people, where costs are prohibitive, they simply miss out on health and medical services. This may mean living with chronic discomfort and pain as well as, for some people, decreased mobility and life opportunity.

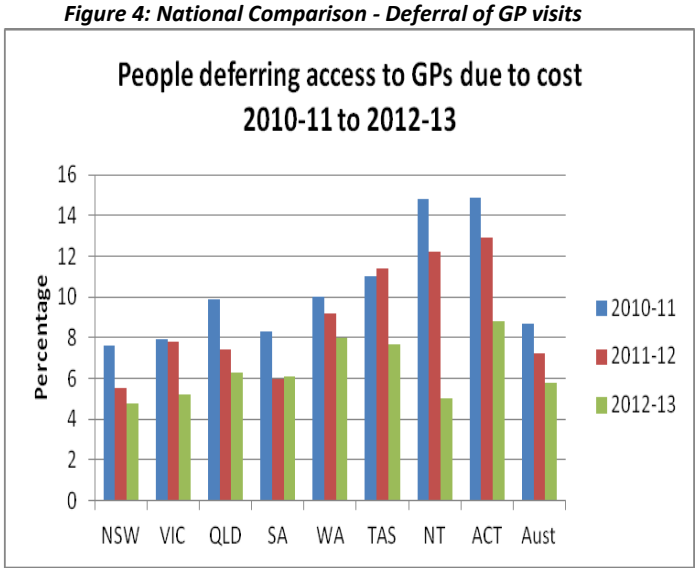
Unfortunately, for far too many people the reality becomes having to make a decision about whether to visit a doctor or not – based purely on whether they can afford to pay. Recent Productivity Commission figures show that that many people nationally defer visiting a General Practitioner (GP). In the Northern Territory, in recent years as many as 14.8% of Territory residents (2010-11) deferred visiting a GP due to costs, although this figure has come down to 5% in 2012-13.

Of particular concern is that in 2012-13, across all States and Territories, Indigenous people deferred access to a GP due to cost at a higher rate than the general population (Figure 5). However the NT figure was relatively low in this regard compared with other States and the ACT, being 7th highest. While not confirmed, this may be due to the high rate of access to bulk billing Aboriginal Medical Services providers in the NT.

Delaying visits to GPs and purchase of prescribed medication due to cost

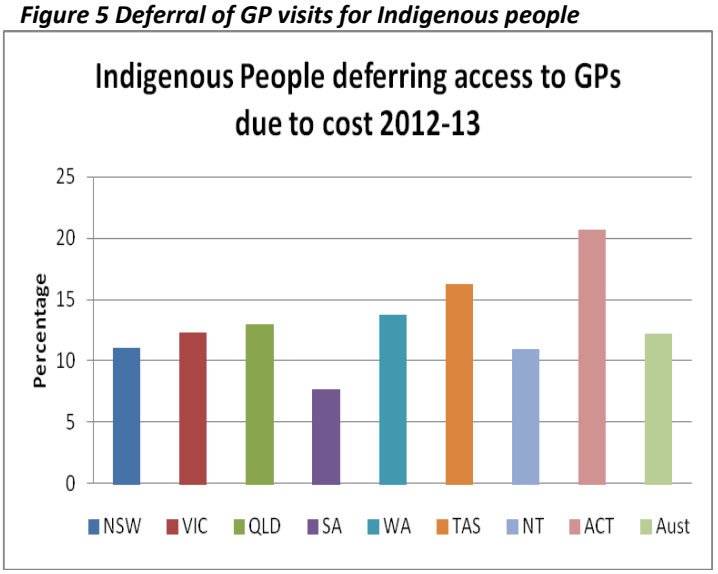
Delaying visits to GPs due to cost

Figure 4: National Comparison - Deferral of GP visits



Source: Productivity Commission (2011, 2012, 2013)

Figure 5 Deferral of GP visits for Indigenous people

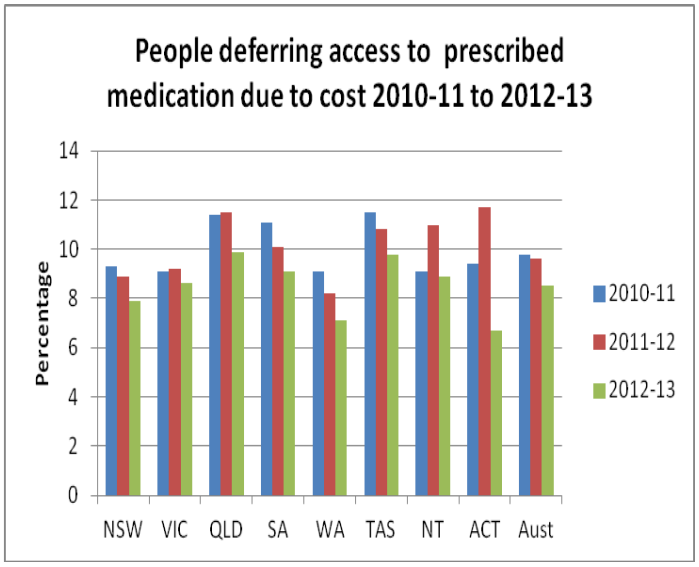


Source: Productivity Commission (2013)

Delaying purchase of prescribed medication due to cost

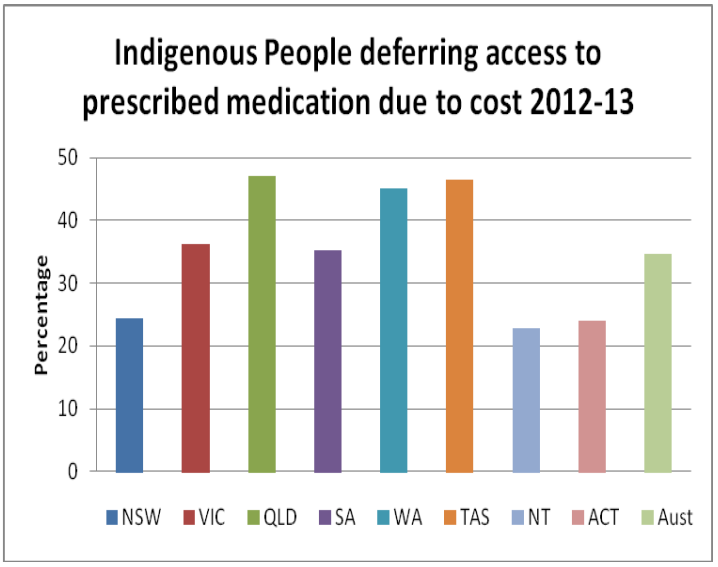
In addition, many NT residents deferred purchase of medicines for the same reason, with between 8.9 to 11% of Territory residents in recent years not attending a GP due to cost. (Productivity Commission, 2011, 2012, 2013). The NT figures were also much lower than the national figures in this area as well (8th out of the States and Territories), which also may be due to the high rate of access to Aboriginal Medical Services providers in the NT, where medications are provided at no cost.

Figure 6: National Comparison-deferral of medicine purchase



Source: Productivity Commission (2011, 2012, 2013)

Figure 7: Deferral of medicine purchase–Indigenous people



Source: Productivity Commission (2013)

The Link between income levels and poor health

Research from around the world has consistently shown that the poor are more likely to suffer ill health than well-off members of society. The *Medical Journal of Australia (MJA 2012)* notes that chronic illness and disability is associated with economic hardship, which itself affects health behaviours "thereby completing a cycle in which poor health leads to poverty, which then leads to poor health". This makes the costs of health care a critical social justice issue which calls for a systemic response.

National and Northern Territory Health Expenditure – A comparison

Table 5: Comparison of National and NT Household Expenditure on Health

	Australia 2009-10		Northern Territory 2009-10		Darwin 2009-10	
HES Categories	Ave Weekly Expend $	% of H/hold Expend	Ave Weekly Expend $	% of H/hold Expend	Ave Weekly Expend $	% of H/hold Expend
All Health - 2014*	**$82.24**	**5.31 %**	**$76.10**	**4.16%**	**$80.10**	**4.52%**
All Health	**$65.60**	**5.31%**	**$62.42**	**4.16%**	**$66.30**	**4.52%**
Accident and Health Insurance	$26.54	**2.15%**	$22.26	**1.48%**	$23.19	1.58%
Health practitioner's fees	$18.99	**1.54%**	$18.84	**1.26%**	$18.56	1.27%
Medicines, pharmaceutical products and therapeutic appliances	$17.88	**1.45%**	$19.59	**1.31%**	$22.90	1.56%
Other medical care and health expenses	$2.19	**%0.18**	$1.73	**0.12%**	$1.65	0.11%

*Source: Derived from (ABS, 2011b)) 'All Health – *2014' figures based on ABS 2011b indexed to ABS 2014d*

As not all of the HES categories (Table 5) are directly correlated with the CPI categories, it is not possible to index all of the HES health figures to March 2014 figures, therefore Table 5 shows the 2014 price for the 'All Health' figure only. It should be noted that these are *not* cumulative increases for each quarter, but the overall increase over a four year period. *For the breakdown of the constituent parts of the above HES categories, and the CPI Categories, see Appendix: Explanatory Notes*

Table 6: Increases in Health Expenditure over the last 4+ years, Darwin and the NT

(NT 2009/10 base figure $)	Northern Territory Average Weekly Expend $ Dec 2009	CPI Increase Darwin for each category % (Dec 2009- March 2014)	NT Estimated Current Average Weekly Expend $ March 2014	Increased expenditure per week $ compared with 4+ years ago	Increase in yearly expenditure compared with 4+ years ago	Actual expenditure for whole year $ - current
All Health - NT	**$62.42**	**21.9%**	**$76.10**	**$13.68**	**$711.36**	**$3957.20**
All Health - Darwin	$66.30	*21.9%	$80.80	$14.50	$754	$4201.6

Source: Derived from (ABS 2011b) NOTE: Darwin CPI used as state CPI figures are not available in ABS data

Table 5 expands on the 'All health 2014" figures to show that, based on previous expenditure patterns, NT households are spending $13.68 more on health overall, per week, compared to the 4+ years ago. While this may not appear a great amount of money, it does in fact equate to an additional **$711.36** for one year. This figure is much higher than would be the case if health costs followed the general 'All Darwin CPI' (13% increase) over this period, which would have seen health costs increase by **$421.96** per year instead, which would have been $289.40 less than the much higher rise due to the 21.94% rise in All Health Darwin CPI. For Darwin households more specifically, the **$754** increase since December 2009, would have only been **$448.19**, which would have been $305 less than the actual rise (had cost increases followed the 'All Darwin CPI').

Table 7: CPI increases for Health since December 2009, Darwin

	% Increase Dec 2009-March 2014
Health	*21.9%*
Medical products, appliances and equipment	10.6%
Hospital, dental and medical services	26.2%
CPI – All Groups	*13%*

Source: ABS 2014d (Table 13)

Expenditure on Medical and Health Items

Table 8: Comparison of medical and health expenditure between capital cities and proportion of weekly expenditure (Household Expenditure Data)

	Sydney	Melb	Brisb	Adel	Perth	Hobart	Darwin	Canb	Aust
2014 Figures (Weekly) $	$64.10	$78.30	$88.60	$81.70	$87.30	$78.20	$80.80	$102.10	$67.18
% household expend	**5.10%**	**4.81%**	**5.23%**	**5.71%**	**5.40%**	**5.57%**	**4.53%**	**5.27%**	**5.13%**

Source: ABS 2011b indexed to March 2014 prices

In terms of capital cities, Darwin is ranked the 5th highest in terms of the rate of absolute expenditure on health ($80.80), compared with the other states and Territories (see also Figure 2); but it does have the lowest percentage of household expenditure on health (Table 8). However, health costs are still a major cost of living issue in the NT. In fact the absolute expenditure on health in Darwin ($80.80) is not dissimilar to the majority of other capital cities, apart from Canberra ($102.10) and Sydney ($64.10), with the other states ranging from $78-$88 per week. In addition, health costs across all other capital cities have been rising at a rapid rate over recent years (Figure 3), apart from in Sydney. **Of most significance is that the rate of increase in health costs in Darwin (21.94%) for the last 4+ years is well above the general cost of living increase (CPI – All of Darwin figure of 13%), and that this creates additional pressure on low income households.**

Health costs in Darwin and the NT continue to rise much faster than the general CPI

The Hidden Costs of Health Care

In addition, the costs of health care are not limited to the narrow medical costs which inform the health costs statistics, but the MJA article notes a number of hidden costs, including the cost of self-management such as home modifications, transport and paid care (as noted in the MJA, 2012). There are also the hidden costs of utilities expenditure, transport and medical accommodation costs. Such costs can be significant and greatly impact on people's health.

Darwin and the NT have lower medical and health expenditure, as a proportion of total households' expenditure, than most of the other states (Table 8). However, given that the weekly household expenditure figures for both electricity and transport, for Darwin and the NT as a whole are the highest in the country (and continuing to rise) **the true overall cost of health care is much higher than what the above figures might suggest.** (See Cost Of Living Reports 1 and 3: *http://www.ntcoss.org.au/cost-living-reports*). In addition, aspects of the various transport price increases (fuel, taxi fares) have also had a disproportionate impact on some low income households.

Hidden health costs are a particular issue for people in rural and remote areas given the distances involved in travelling to access health services and the lack of public transport and other transport options, despite developments in recent years which have seen additional transport services put in place. In addition the lower vehicle registration numbers for the NT overall, in comparison with other jurisdictions, and the costs of fuel being higher across the NT, and incomes lower outside of Darwin, as highlighted in the NTCOSS Cost of Living Report No.3 (April 2014), there are further barriers to accessing health services for rural and remote residents.

Accommodation costs are another issue for people in rural areas who need to travel long distances for treatment. The Northern Territory, along with all other jurisdictions, has a patient travel assistance scheme (Patient Assisted Travel Scheme (PATS)) to assist people in rural and regional areas travel for medical needs is. There were a number of welcome changes recently made to PATS by the NT Government, which included:

- Increasing the fuel subsidy from 15c per km to 20c per km.
- Introducing fuel subsidies for patients travelling 400km or more per week for treatment.
- Making the ground transport subsidy available for intrastate travel.
- Increasing the commercial accommodation subsidy from $35 to $60 per person per night.
- Doubling the private accommodation subsidy from $10 to $20 per person per night. And
- Improving the escort eligibility to allow more parents to travel with their children.

While the above developments have been welcomed, there are still further reforms required, to remove or reduce obstacles for patients to receive timely medical attention (and reduce missed appointments) to further improve health outcomes. A number of recommendations were made by NTCOSS their submission to the NT Department of Health Review in to the PATS scheme, covering areas including the following:

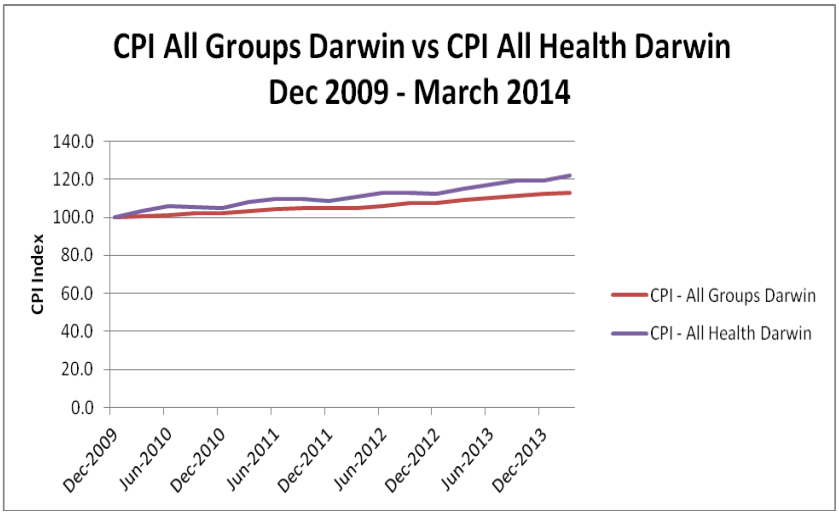
- Increasing medical accommodation close to treating hospitals
- Increasing the petrol subsidy to reflect the true costs for patients who drive their own car – and creating a more efficient reimbursement system
- Development of further 'meet and greet' services for remote patients where required
- Improving transport services – including the development of more community transport options
- Ensuring processes are in place and the booking system sufficiently resourced so that trips are booked well in advance, where possible.
- Exploring options for more specialists to visit more regional and remote locations
- Exploring further options for Medicare funded teleconferences for consultations.
- Improving coordination of trips to improve overall health system efficiencies to cater for as many patients in a timely and cost effective manner
- Improving communication and information provided, and ensure delivered in an appropriate way (simpler language) and ensuring interpreters involved where required
- Improving procedures in place to ensure coordination of drop offs and pickups and follow up
- Developing of protocols around assessing financial hardship

In addition, there is no PATS cover for dental services, and dental services are simply not readily available in many remote areas of the NT.

Summary of Health Price Movements

CPI for All Health prices in Darwin over the last year rose by 6.1%, rising much faster than the general CPI, of 3.6%. This follows the trends evident in the CPI data for health prices over recent years, which are shown in Figure 6, which reveals that over the last fifteen years there has been a clear trend of health costs for consumers rising faster than the generic CPI.

Figure 8: Health Prices and CPI – Darwin Dec 2009 – March 2014

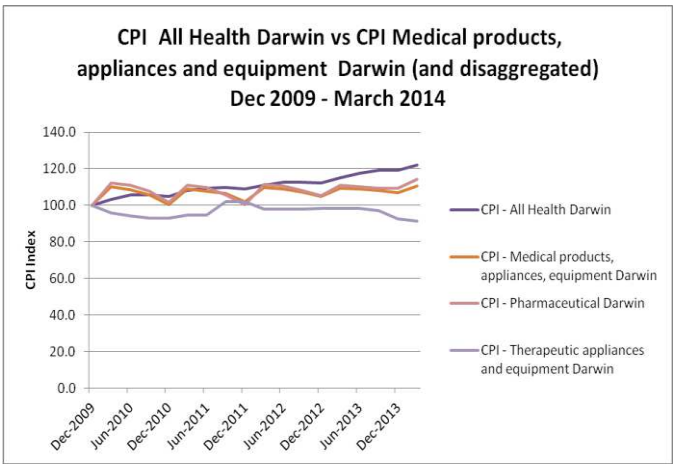


Source: ABS (2014d, Table 13)

Disaggregated Health Prices

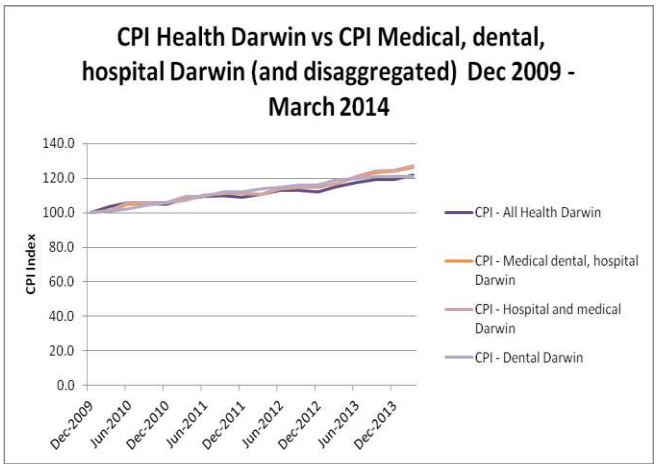
Figure 9: Disaggregated Health Prices and CPI – Darwin Dec 2009 - March 2014

Figure9a



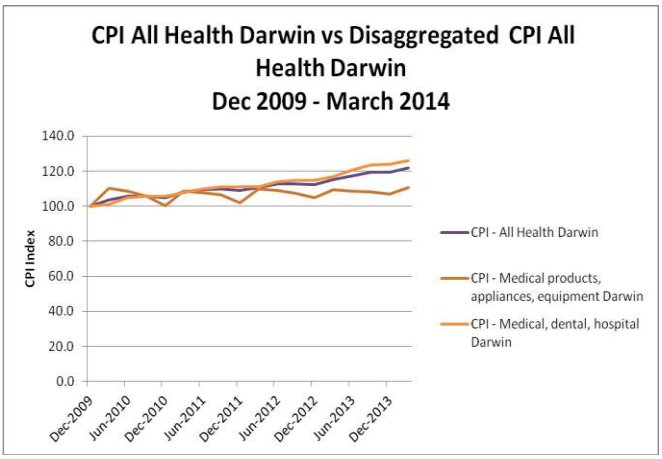
Source: ABS (2014d, Table 13)

Figure 9b



Source: ABS (2014d, Table 13)

Figure 9c

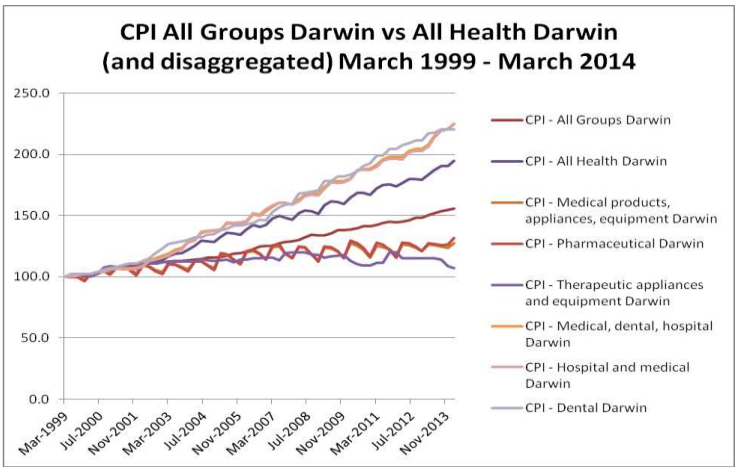


Source: ABS (2014d, Table 13)

The graphs in Figure 7 present a more detailed picture of what has been happening to health prices in Darwin over the last 4+ years, by showing various sub-categories of health prices. It is clearly evident that Medical and Hospital Service prices are going up much faster than the general CPI for Darwin. The Medical and Hospital Services category includes consultations of doctors (GPs and Specialists), hospital charges and medical insurance prices. The price of dental services has also risen at a much faster rate than CPI over the duration, and, as can be seen by comparing the gradients of the graphs, the last 15 years have seen Medical, Dental and Hospital service prices increase markedly more than CPI.

Figure 7, however, only shows price rises for the various health services relative to CPI, and it does not show the relative importance of each of those expenditures. A large price rise may not matter much if it is on a small expenditure, but a small rise in a substantial payment may have a significant impact on a low income earner. Table 10 below lists the relative importance of each expenditure line in terms of a percentage of the overall health expenditure, and then shows how much each of those items has gone up in the last year and in the last fifteen years.

Figure 10: CPI All Groups Darwin vs All Health Darwin 1999 – 2014



Source: ABS (2013d, Table 13)
(Note: The middle maroon line represents the CPI – All Groups Darwin figures)

The main drivers of the increases in health costs in Darwin (and the NT) are not the medical products, appliances and equipment, which, on average, have risen at half the rate of the overall increase in the cost of health products, over the past four years. Rather, it is the high costs associated with medical, dental and hospital services which have risen at more than twice the rate over the last 15 years, whereas the medical products, appliances and equipment have risen at almost exactly half the rate of the overall health increase.

Table 9: CPI increases for Health over the last 15 years, Darwin

	% Increase March 1999-March 2014
Health	*94.5 %*
Medical products, appliances and equipment	27.6 %
• Pharmaceuticals	31.7 %
• Therapeutic appliances and equipment	7.3 %
Hospital, dental and medical services	124.8%
• Hospital and medical services ;	125.1 %
• Dental services	120.4 %
CPI – All Groups	*55.9 %*

Source: ABS 2014d (Table 13)

One of the critical issues here is not just the rapid rate of price rises, but the fact that medical and dental services account for nearly three quarters (71.37%) of health expenditure for households (see Figure 9) – making them a high volume and regular expense for Territory households, and increasing well above the general CPI rate, trends evident from around 2003. This means that any price increases in these areas are going to be felt – particularly by low income and disadvantaged households. (In contrast, pharmaceutical prices are rising at well below the general CPI rate). As always, where a price rises faster than CPI, it creates particular problems for those on incomes where rises are tied to CPI such as those on Newstart, Youth or Widows Allowance, and many low wage earners with limited industrial bargaining power. In effect, it means that these services are becoming increasingly hard to afford for people who find themselves on low incomes.

Over the last 15 years (see Table 10 below), the CPI 'All Groups' for Darwin increased by 55.9.6%, which means that the 'All Health' Darwin price increase of 94.5% represents an increase of 69.8% over the CPI, meaning health prices have increased by nearly 70% more than the average level of price increases for all goods and services in this time. Within this rise, hospital services have increased at an even greater rate, at over two times the rate of the generic CPI (All Groups).

Table 10 Expenditure changes in different health areas and importance of expenditure area, Darwin

CPI Expenditure Category - Darwin	% of health expenditure	Price change last year (Mar 2013 – Mar 2014) (% increase)	Price change since March 1999 (% increase)
Medical and hospital Services	60.2%	9.1%	125.1%
Dental	11.5%	1.5%	120.4%
Pharmaceuticals	22.5%	3.2%	31.7%
Therapeutic appliances and equipment	5.8%	-7.0%	7.3%
All Health	***100%***	***6.0%***	***94.5%***
All Groups	***-***	***3.5%***	***55.9%***

Source: Derived from ABS (2011d), and ABS (2014d, Table 12)

As not all Household Expenditure category codes can be considered unique to a CPI expenditure class, a number have been split (or partitioned) over relevant CPI expenditure classes (ABS 2011e). This means that it is not possible to show the average weekly expenditure for all of the CPI categories in Table 10 above. The following Table (Table 11) highlights expenditure by household types in one expenditure area only – Health Practitioner Fees – which does not directly correlate with one CPI category, but is useful for examining differential impacts on different household types at the national level.

Table 11: Expenditure on Health Practitioners Fees by Household Type, Australia, 2009-10

	Ave. Weekly Expend $	% of H/hold Expend
Lowest Income Quintile*	$12.28	2.19%
Second Income Quintile	$9.99	1.23%
Third Income Quintile	$16.04	1.37%
Fourth Income Quintile	$22.90	1.55%
Highest Income Quintile	$33.73	1.56%
All Households	$18.99	1.54%
Welfare Recipients	$10.64	1.74%
• Age Pension	$9.80	1.74%
• Disability and Carer Payments	$7.39	1.02%
• Unemployment/Study Pay	$4.88	0.68%
• Family Support	$19.40	2.33%

Source: Derived from ABS (2011b)

While Table 11 highlights national expenditure figures from 2009-10, the important aspect to note is the proportion of household income for different households typed. It is very interesting to note that where a member of a household is in receipt of an income support payment (welfare recipients), households spend proportionately more of their weekly income on health practitioners fees (1.74%) than do households in the highest income quintiles (1.56%). In particular Age Pensioner households (1.74%) and those who receive family support payments (2.33%) pay the highest proportion of their income on health practitioner fees.

Any increases in the price of health practitioner fees is going to be felt more by people on lower incomes.

The Benefits of Increased Health Expenditure

It is important to also acknowledge that there are benefits – both health and social and financial - for the increased expenditure on health at a population as well as an individual level. While there is an ageing population, necessitating an increased slice of the Federal Budget going towards health, and in particular aged care services, the other side to this is that people are living longer. In addition more health services are being provided to more people, for example in the form of early detection and screening; or treatment for cancer; or surgical intervention such as hip replacements, much more than occurred in the past.

As Daley (2014a, p.10), from the Grattan Institute has documented that there has been a "real increase in expenditure from 2003-2013 of $2012 billion" on health, resulting in "more, improved, and new services per person". Daley and McGannon (2014c, p.1) state that "Over the past decade health expenditure rose by over $40 billion in real terms, with "health and infrastructure spending... [growing] faster than GDP (Daley 2014a, p.1). Daley and McGannon (2014c, p.1), argue that the ageing population was not the prime cause, but that it is the fact that "people of any age saw doctors more often, had more tests and operations and took more prescription drugs". They also note that: "Similarly, Age Pension costs grew much faster than GDP[3], not because of population ageing, but with policy decisions to increase benefits and widen eligibility." (Daley and McGannon2014c, p.1).

However despite the increase in spending at a population level and health improvements at both a population and individual level for many people, there are people who remain incredibly vulnerable. For example, "unemployed households remain the most vulnerable, with over 45% of job seeker payment[4] recipients in poverty for greater than two years and 49% of job seeker payment recipients paying greater than 30% of their income on housing which compares with 22% and 19% of other government payment recipients (Daley 2014b, p.11),. So despite significant investments in the health system, health costs still disproportionately impact on the most vulnerable people in low income households.

Federal Government Budget – Impact on Health Expenditure for Low Income Households

Reductions in Income Support Payments

The recent Federal Budget released (May 2014) has a number of budget changes of enormous concern to NTCOSS and the COSS Network across the country. The proposals, if passed by Parliament, will result in a large number of people on income support payments and low income households being much worse off financially. According to the Australian Council of Social service (ACOSS) "The people that will particularly be affected are those under 30 looking for work, people with disabilities, carers, single parents and struggling low income pensioners and families. The income losses sustained by many people relying on income support and family payments are large and crippling. (ACOSS (2014b)). (See Appendix for summary of changes to pension allowance and benefit levels).

Introduction of a Medicare Co-payment

ACOSS also argue that the very same people who will be impacted by reductions in income support payments "will also be hardest hit by the Federal Government move to introduce a $7 co-payment for doctor's visits and other services (ACOSS (2014b)). These services will include "services such as pathology tests and diagnostic imaging (ACOSS (2014a)]. While "Payments will be capped at 10 visits a year for pensioners and children under 16", and there are also reports that people on chronic health plans will be exempted from the payment (ACOSS 2014 p.35); there are concerns that overall the introduction of the scheme "will deter patients with severely constrained incomes, particularly those with complex health conditions, from seeking necessary help, leading to more costly hospitalisations down the track." (ACOSS 2014b) In addition to the Medicare co-payment, the cost of Pharmaceutical Benefit Scheme (PBS) prescriptions is set to increase by up to $5 (ACOSS 2014a, p.35], which will put further pressure on low income households.

[3] In particular "Commonwealth Government spending on Aged care almost doubled in the last 10 years" (JD2)

[4] Notes: 'Job seeker payment' includes Newstart and jobseeker Youth Allowance. 'Other govt payment' is dominated by age and disability pensions. Source: Grattan analysis of Phillips and Nepal (2012).

"For over 30 years, Australia has been committed to a health system which provides universal access to essential health services, particularly in relation to acute and primary health care. While co-payments have been part of the Australian healthcare system for some time, with Australia already having one of the highest co-payment rates in the OECD) universal access has generally been maintained for primary and acute care. While $7 may not seem like a great cost to many, it is a significant amount for people on low incomes and will act as a barrier to accessing decent healthcare, and it will be a cumulative cost for many low income earners , for whom it will be payable each visit to a GP for the first ten visits . Due to the interaction between poverty, disadvantage and health, this will have a disproportionate impact on lower income households. (ACOSS 2014a, p.35).

Within this context therefore, it is startling and somewhat bewildering that the Australian Government officials at Senate Hearings have acknowledged that a mandatory six-month wait for benefits for those under 30 is likely to push hundreds of thousands of people into crisis, officials have told Senate hearings the government had allocated $230 million over four years to provide emergency relief to those affected."(Harrison & Donelly 2014). Harrison and Donnelly (2014) also report that "The government expects 550,000 applications for assistance, which will be delivered by charities in the form of food vouchers, transport or medications, household goods, clothing or by helping to pay rent or utility bills.

It is of great concern that non-Government community organisations will end up picking up the pieces and trying to support people who have been pushed further into poverty. Maree O'Halloran, president of the National Welfare Rights Network, has argued that'' The $230 million to be spent on emergency relief for those left with no safety net would be better spent providing 100,000 job seekers with wage subsidy programs for four years,'' (Harrison & Donnelly, 2014). O'Halloran also expressed concern that that "youth unemployment would not be addressed by forcing young people into destitution." Department of Social Services deputy secretary Serena Wilson admitted in a Senate hearing in early June that there was a risk that some affected by the change would become homeless." (Harrison & Donnelly (2014)). Ms Wilson also informed the Senate Hearing that "separate changes to Family Tax Benefit B would result in 700,000 single income and single parent families losing the benefit." (Harrison & Donnelly, 2014).

The reduction in payments to low income families will mean that disposable income to pay for essential cost of living items will decrease. This will mean that families will have to make difficult choices about what to purchase and what not to purchase. Families simply may not be able to afford sufficient healthy food, or visits to a doctor, or essential medications – and all of this will have profound impacts on the long term health of already vulnerable individuals and families who often face poor health outcomes as it is.

ACOSS National Conference Resolution on the May 2014 Federal Budget

NTCOSS endorses the ACOSS National Conference Resolution on the May 2014 Federal Budget which calls on the Federal Parliament of Australia to reject divisive and unfair budget proposals that severely impact on the most vulnerable people in our community.

The resolution reads:

"We call on the Australian Government to work with us in designing policy that is sustainable, inclusive and fair. The Government and the Parliament should abandon the following divisive and unfair proposed budget measures that severely impact on the most vulnerable people in our community:

- ***Removal of the income support safety net for many young job seekers;***
- ***Measures that erode the value of income support for people at risk of poverty;***
- ***Reductions in family tax benefits for low and moderate income earners;***
- ***Increases in user charges for essential health services, including GP payments, medicines and tests;***
- ***Withdrawal of federal funding to essential social services;***
- ***Silencing of advocacy organisations working to ensure that the voices of disadvantaged and marginalised groups are heard."***

ACOSS Conference, June 2014

Conclusion

Health costs constitute a substantial weekly expenditure item for Territory households. The experience of many people who use the health system, and particularly those with chronic illness, suggest that rising health costs are a major cost of living pressure. Health costs are rising faster than CPI, and therefore faster than the incomes of those whose wages or payments are tied to CPI. It is clear that these price rises are being driven by rising medical, dental and hospital costs.

Current policy proposals being put forward by the Federal Government in relation to Medicare and welfare payments have the very real potential to drive more vulnerable people into poverty poor health outcomes. Any policy changes and Government mandated price increases must take the needs of low income households into consideration. As part of this, there must be adequate financial support for all income support recipients.

Recommendations:

That the NT Government

1. **Work with the Federal Government to find alternatives to its proposed budget measure which will see increases in user charges for essential health services, including GP payments, medicines and tests**
2. **Work with the Federal Government in relation to increasing Newstart Payments by $50 per week**
3. **Make further amendments to the Patient Assistance Travel Scheme to improve access to health services, including the coverage of dental services**
4. **Increase health funding towards preventative and early intervention measures to reduce the high costs borne by the medical and health system**

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, 2013b).

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). However, the expenditures that formed the base data and weighting (from the 2009-*10 Household Expenditure Survey*) add up to well over the actual welfare payments available (even including other government payments like rent assistance, utilities allowance and family tax benefits). Clearly 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 – but 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 *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, 2013b). 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. Use of Darwin CPI with NT figures
State & Territory CPI figures are not available through the ABS. Darwin CPI figures are used to calculate current expenditure figures from the 2009-10 HES Expenditure Data. Given the relatively similar expenditure figures for Darwin and the NT as a whole, use of the Darwin CPI provides a fairly accurate basis for deriving the figures, and the Darwin CPI is the only available approximate.

4. Pension and Newstart (and Family Tax Benefit) Calculations for Table 2
Age Pension figures based on maximum payment for single pensioner ($356), plus maximum rate of the Pension Supplement ($30.30 p/w), as at 19 March 2013 (NOTE: Household Assistance Package (HAS)* payments not applicable at the time); and 375.85, plus Pension Supplement ($30.85 p/w); and HAS ($6.85) as at 19 March 2014.

Newstart single no children figures based on maximum payment for single Newstart recipient ($246.30), as at 19 March 2013 (NOTE: HAS not applicable); and $250.50, plus HAS ($4.25) as at 19 March 2014.

Newstart single with children figures based on maximum payment for single Newstart recipient ($266.50) as at 19 March 2013 (NOTE: HAS not applicable); and ($271.05), and HAS ($4.60) as at 19 March 2014; **AND**
FTB A figures based on maximum payment for parent with one child under 13 ($84.84) and one secondary student between 13-19 ($110.32) as at 19 March 2013; and $86.10 and $112 as at 19 March 2014; **AND**
FTB B figures based on $50.33 maximum payable to family with youngest child over 5, as at 19 March 2013 (assuming income test requirements are met); and $51.10 as at 19 March 2014.

**The Household Assistance Package (HAS) payments to address carbon tax price increases were made available to most pensioners and adult allowance recipients (including Newstart) from 20 March 2013. From 1 January to 19 March 2014, these payments added $6.85 a week to the single pension and $4.25 to Newstart for singles and $4.60 to those with dependent children – and are included in the calculations used in Table 2.*

5. Calculation of Average Earnings Figures

The average earning figures have been calculated based on the following table from ABS census data (2011), showing median weekly incomes. The weekly household figures were used (and multiplied by 52 weeks), to align with the focus of this report on household expenditure.

Median weekly incomes	Alice Springs	%	Northern Territory	%	Australia	%
People aged 15 years and over						
Personal	481	--	745	--	577	--
Family	1,156	--	1,759	--	1,481	--
Household	900	--	1,674	--	1,234	--

http://www.censusdata.abs.gov.au/census_services/getproduct/census/2011/quickstat/SSC70005?opendocument&navpos=220

6. Guide to CPI and HES Categories

CPI descriptions:

HEALTH

Medical products, appliances and equipment

Pharmaceutical products

Therapeutic appliances and equipment

Medical, dental and hospital services

Medical and hospital services

Dental services

Source: ABS (2011e)

HES descriptions:

Medical care and health expenses

Accident and health insurance

Accident and health insurance

Hospital, medical and dental insurance

Ambulance insurance (separate insurance)

Sickness and personal accident insurance

Health practitioner's fees

Health practitioner's fees

General practitioner doctor's fees

Specialist doctor's fees

Dental fees

Optician's fees (including spectacles)

Physiotherapy and chiropractic fees

Health practitioner's fees nec

Medicines, pharmaceutical products and therapeutic appliances

Medicines, pharmaceutical products and therapeutic appliances nfd

Medicines, pharmaceutical products and therapeutic appliances nfd

Medicines and pharmaceutical products

Medicines and pharmaceutical products nfd

Prescriptions

Non-prescribed pain relievers

Sunscreens

Non-prescribed ointments and lotions nec

Medicines and pharmaceutical products nec
First aid supplies, therapeutic appliances and equipment
Surgical dressings
Therapeutic appliances and equipment (excluding hire)
First aid supplies, therapeutic appliances and equipment nec
Other medical care and health expenses
Other medical care and health expenses
Hospital and nursing home charges
Hire of therapeutic appliances
Other medical care and health expenses nec

Source: ABS 2011b (Table 3A)

Appendices:

Appendix A: Full list of NTCOSS recommendations made in submission to NTG PATS Review July 2013
(For Full Report: see www.ntcoss.org.au)

1.1 Establish further medical ensuite accommodation close to treating hospitals - of which there are four in the NT aside from the Royal Darwin Hospital.
1.2 Implement a whole of Government approach to find a solution to the lack of accommodation for medical patients across the Territory.
2.1 Flexibility in assessment of decisions regarding escorts - with each application considered individually and not subject to a blanket interpretation – with provision for not just physical and language needs, but practical and emotional needs as well
2.2 Extension of the automatic provision of escorts for certain interstate treatments/therapies to cover the same conditions/treatments for intrastate trips
2.3 Clear parameters provided to guide decision making when requests for escorts are outside of the current guidelines, so that approval is not conditional on a particular medical practitioner's emotional or non-emotional response to the patient's circumstances.
3.1 Overcome obstacles to prepayment of accommodation for any accommodation providers who currently don't accept this
3.2 Establish a system for prepayment of reimbursement for use of own car, where it is deemed necessary due to financial circumstances of the patient
3.3 Improve the turnaround time for reimbursement of costs
3.4 Develop protocols around assessing financial hardship – where it may be an obstacle to someone receiving timely medical attention (including referral system to Emergency Relief providers)
3.5 Increase the petrol subsidy to reflect the true costs for patients who drive their own car
4.1 Extend the $40 subsidy for ground transport at interstate destinations to cover ground transport at intrastate destinations, where patients have flown in.
5.1 Provide a 'meet and greet' service where required – along the lines of the Nganampa Health Liaison service which supports patients from the APY lands
5.2 Research the cost of missed transport and missed appointments – and explore of the financial benefits of improving transport services (in order to reduce missed appointments).
5.3 Allow access to air transport and provision of adequate support to assist remote people with disability/health issues to travel to appointments if the health status of patients requires an alternative to road travel
5.4 Ensure processes are in place and the system sufficiently resourced so that trips are booked well in advance, where possible.
6.1 Explore options for more specialists to visit more regional and remote locations
6.2 Explore options of Medicare funded teleconferences for consultations.
7.1 Fund a specific funding program to enable services outside of the Darwin and Alice Springs regions to transport their clients to medical appointments.

7.2 Explore the development of community transport options across the NT, so local transport/support services can be developed in towns and communities/outstations and between them link remote communities with major regional centres.
7.3 Coordinate patients from remote areas to attend regional centres on the same day as far as possible
Establishment of transport services offering day trips (where appropriate) for essential medical appointments
9.1 Improve communication and information provided, and ensure delivered in an appropriate way (simpler language) and ensure interpreters involved where required
9.2 Improved procedures in place to ensure coordination of drop offs and pickups at both ends
9.3 A clear system for PATS staff in terms of who to contact for follow up – e.g. case manager/clinic
9.4 PATS admin staff to meet with community organisations on a regular basis to discuss issues

Appendix B: Summary of changes to Pension, Allowance and Benefit levels proposed by Federal Government

- Denial of income support to young people up to 29 years for six months of every year, unless exempted, leading to in income losses of $207 to $255 a week [ACOSS 2014a]. This will affect at least 100,000 people [ACOSS 2014a], with some young jobseekers facing multiple waiting periods and forced to wait up to 11 months to qualify for benefits. [Harrison& Donelly (2014) in 'The Age' 2014]
- "A single parent on a low income with one child over 6 years stands to lose $50 a week from the changes to Family Tax Benefit (part B) alone. We estimate that over a decade, changes to indexation will mean that single people relying on most pensions will be $80 a week worse off." [ACOSS 2014b]
- A new Family Tax Benefit Allowance for sole parents will not compensate families for the losses, with sole parents with youngest their youngest child between 6-12 years will lose $37 per week, and those with youngest child over 12 years to lose $58 per week. [ACOSS 2014a]
- Annual supplements have also been reduced and families with three children, previously eligible for a Large Family supplement, will no longer be eligible, with the supplement limited to families with at least 4 children. [ACOSS 2014a].
- Changes to eligibility for the Disability Support Pension (DSP) are likely to result in more young people, currently on the DSP, being moved to the much lower Newstart or Youth Allowance, which will result in an income loss of at least $166 p/w. [Harrison& Donelly (2014)] or $214 per week [ACOSS (2014a)]
- "Lowering indexation for pensions and freezing family payments for two years will affect families living on low incomes the most and increase poverty and inequality. [ACOSS 2014b]
- Abolishing the Pensioner Education Supplement, which is mainly paid to sole parents, and removing federal funding of state pensioner concessions (such as energy concessions to assist with the costs of electricity*) will also reduce disposable incomes. [ACOSS 2014a] (*NOTE: not in the NT)
- NATSEM – sole parent families with 2 children aged 8 and 12 years relying on income support will lose 4243 per year ($81.6 per week) [ACOSS 2014a]
- NATSEM estimates that about $1.2 million families will be around $3000 (per year) worse off by 2017-18 (while those on high incomes (top 20%) will experience very little impact from budget changes, and for example a family on $200,000 per year is estimated to lose only $400 per year. see [ACOSS 2014a] (See Table on p. 12)
- The change will also apply to parents if they are not the primary carer for their children. A household in which both parents receive income support would lose $490 a fortnight as a result of the change. Some exemptions are available, including for people who do not have the full capacity to work, who are studying or training or who have a disability. [the age article]
- $169.2M reduction in expenditure on health services for Aboriginal and Torres Strait Islander people [ACOSS 2014a, p. 10]
- A Budget Analysis by Whiteford and Nethery, cited by ACOSS (2014a, p. 7), showed that:
  - An unemployed 23 y.o. will lose $50 per week
  - An unemployed lone parent with one 8 y.o. will lose $60 per week
  - A single income couple with 2 school aged children and average earning stand to lose nearly $90 per week
  - But an individual on 3x the average wage will contribute just $29 or less than 1% of disposable income through the Deficit Levy

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