

Senate Community Affairs Committee
ANSWERS TO ESTIMATES QUESTIONS ON NOTICE
SOCIAL SERVICES PORTFOLIO
2014-15 Additional Estimates Hearings

Outcome Number: 1

Question No: SQ15-000317

Topic: Pensions - Indexation

Hansard Page: Written

Senator Moore, Claire asked:

1. What indexation measure was used in the September 2014 indexation of the pension?
2. How much did the pension increase as a result?
3. How much would it have increased by had it been indexed to CPI?
4. Is it therefore correct that, had the government's proposed indexation arrangement been in place in September of last year, pensioners would have less in their pocket each week than they currently do?

Answer:

The pension increase of 20 September 2014 was driven by the Pensioner and Beneficiary Living Cost Index (PBLCI) increase of 1.4 per cent over the six months to 30 June 2014.

The maximum rate of pension increased by \$11.50 a fortnight for a single pensioner (\$10.70 maximum base rate + \$0.60 Pension Supplement + \$0.20 Energy Supplement) and \$17.40 a fortnight for a couple combined (\$16.20 maximum base rate + \$1.00 Pension Supplement + \$0.20 Energy Supplement).

In the same period the CPI increased by 1.0 per cent. Had pension been indexed by CPI, it would have increased by \$8.50 a fortnight for a single pensioner and \$12.80 a fortnight for a couple (combined).