



Cost of Living Update No. 44

September Quarter, 2020

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Introduction

This report is the latest in a series tracking changes in the cost of living, particularly for vulnerable and disadvantaged South Australians.

The first part uses the Australian Bureau of Statistics' Selected Living Cost Indexes (ABS, 2020a) and Consumer Price Index (ABS, 2020b) to show key changes in the cost of living in the last quarter and over the last 12 months.

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 low income households in particular. 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 whilst price increases or decreases on other discretionary goods are less relevant. However, 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.

The Selected Living Cost Indexes also use a different methodology to CPI (see Appendix: Explanatory Note 1) and they disaggregate expenditure into a number of different household types, although this *Cost of Living Update* focuses only on the "Age Pension" and "Other government transfer recipients" (hereafter "other social security recipients") figures, 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 Appendix: Explanatory Note 2), they do provide a robust statistical base, a long time series, and quarterly tracking of changes – all of which is useful data for analysis. This report also adds to the Selected Living Cost Indexes by putting a dollar value on the changes, and by using disaggregated CPI data to summarise changes in prices of key items.

SACOSS *Cost of Living Updates* sometimes also contain a second section with 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 South Australians. This *Cost of Living Update* focuses on telecommunications affordability based on the recently released data in the 2020 Australian Digital Inclusion Index (Thomas et al., 2020).

SECTION 1: September Quarter 2020 Cost of Living Changes

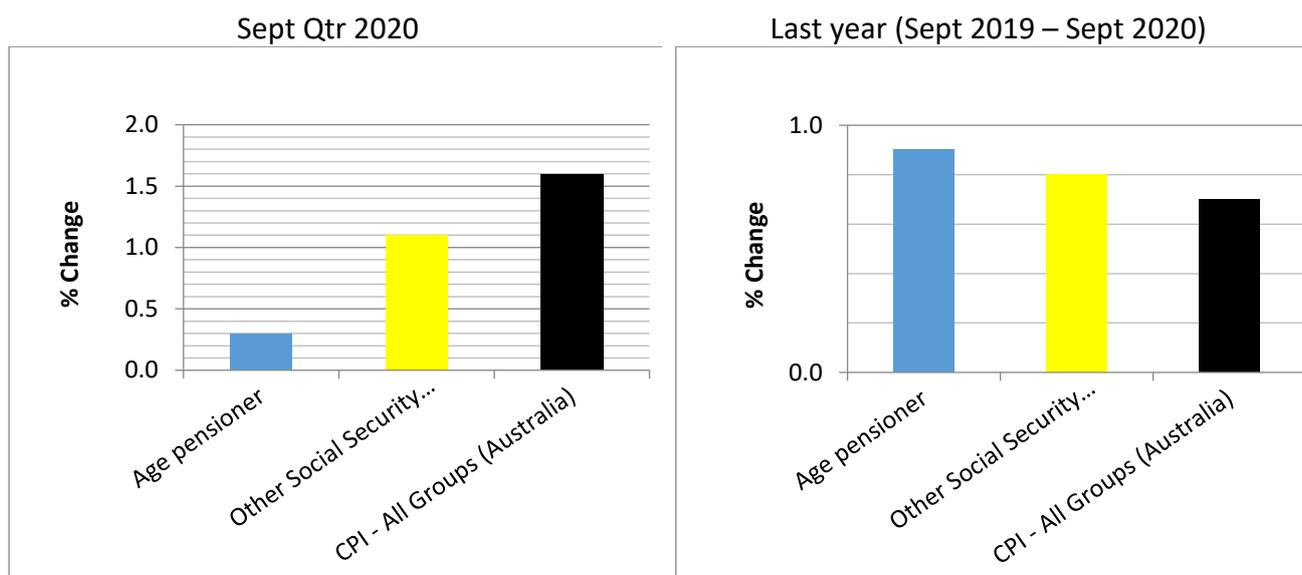
Prices

In the September 2020 quarter, the cost of living (as measured by the ABS Selected Living Cost Indexes) for age pensioners rose by 0.3%, while for other social security recipients the cost of living rose by 1.1% (ABS, 2020b). CPI in the same period rose by 1% in Adelaide, and 1.6% nationally (ABS, 2020a).

The main reason for the stark difference in living cost increases for age pensioners and other social security recipients was due to the weighting for child care. Age pensioners as a whole use very little child care, but child care was a major contributor to increases in cost of living in the September quarter (by comparison with previous quarter) because the government provision of free child care ended in June. The increase in child care costs also accounted for the even greater increase in costs in the CPI (and also for employee households: 1.3%) – where child care is an even bigger component. However, the annual data tells a different story with increases in the price of food, alcohol and tobacco pushing up living costs for age pensioners and other social security recipients, above the CPI where decreases in mortgage interest offset other increases. In fact, for employee households, living costs dropped over the last year (-0.9%), while they rose for social security recipients.

Over the last year (Sept Qtr 2019 – Sept Qtr 2020), the living cost index for age pensioners rose by 0.9% and for other social security recipients by 0.8% (ABS, 2020a), by comparison to the generic CPI rise of 0.7% nationally and 1% in Adelaide (ABS, 2020b).

Figure 1: Increases in Living Costs Sept Qtr 2020



These overall figures can be disaggregated to track changes in the price of key basic goods and services in the last quarter both in Adelaide and nationally. These are shown in Table 1.

Table 1: Cost of Living Changes September Qtr 2020 by Expenditure Type

	Sept Quarter CPI Increase		Annual CPI Increase (Sept 2019 – Sept 2020)	
	Adelaide %	Australia %	Adelaide %	Australia %
Food	-0.3	-0.4	4.1	3.4
Fruit and Vegetables	0.7	0.0	9.5	8.9
Housing	-1.8	0.0	-1.4	-0.2
Rent	-0.2	-0.2	0.8	-1.4
Utilities	-6.4	-1.1	-7.8	-2.7
• Electricity	-5.0	-0.7	-7.2	-2.5
• Water	-16.7	-2.7	-16.7	-2.7
• Gas	0.2	-0.7	0.0	-3.1
Health	0.1	-0.1	1.1	1.0
Transport	4.3	3.4	-5.3	-4.0
CPI All Groups	1.0	1.6	1.0	0.7

Source: (ABS, 2020b)

Incomes

Given that social security recipients have very low incomes, it is unlikely that any or any significant amount of the weekly benefit can be saved – at least for those not able to supplement their government payments with other incomes. For someone on the base level of benefits (with no rent assistance), and assuming that they spend all their income, SACOSS calculates that the dollar value changes in cost of living is as shown in Table 2.

Table 2: Cost of Living Changes Sept Qtr 2019 – Sept Qtr 2020

	Base Allowance + Supplements (30 Sept 19)	Selected Living Cost Index Change	Living Cost Change per week	Base Allowance + Supplements (30 Sept 20)	Change in Rates of Same Benefits	Net Result \$pw
Age Pensioner (Single)	\$466.70	0.9%	\$4.20	\$472.15	\$5.45	\$1.25
JobSeeker with two FTB children	\$579.70	0.8	\$4.64	\$588.18	\$8.48	\$3.84

(Source: Calculated from (Centrelink, 2019), (ABS, 2020a). See Explanatory Note 3 in the Appendix here)

The JobSeeker figures do not include the Coronavirus supplement which for much of the quarter was paid at \$550 a fortnight, but at the end of September dropped to \$250 per fortnight. Without the Coronavirus supplement, the figures show that the cost of living for a single person on Jobseeker with two children went up by \$4.64 per week, while their base income increased by \$8.48 so that without the supplement they would have been \$3.84 a week better off than a year ago. This improvement is a rarity and is largely due to the low inflation rate, but given the historic low levels of JobSeeker payments, it is only really the Coronavirus Supplement that makes the payment liveable. Interestingly, while there was concern that the low inflation rate meant age pensioners missed out on a payment increase in September, they still remained better off than a year ago – albeit by only \$1.25.

SECTION 2: Telecommunications

Affordability in the Digital Inclusion Index

Introduction

Telecommunications expenditure (phone, internet and devices) is an important part of most household budgets. Telecommunications are vital for maintaining connection to friends and family, accessing businesses and services, and participating in an increasingly digital world.

Previous SACOSS research based on the ABS 2015-16 Household Expenditure Survey showed that on average South Australian households spent \$46.62 per week on telecommunications services and equipment (equivalent to \$49.78 in 2020 dollars), accounting for 3.9% of household expenditure. However, the expenditure is regressive and accounts for a greater proportion of expenditure for those in the lowest income quintile (SACOSS, 2018).

The affordability of telecommunications is also a key part of the broader picture of digital inclusion. Digital inclusion is based on the idea that all Australians should be able to make full use of digital technologies to manage their health and wellbeing, access services, organise their finances, connect with family and friends, and participate in culture and society.

Each year, The Australian Digital Inclusion Index (ADII) measures the level of digital inclusion based on access to, affordability of, and ability and usage of digital communications. The Index compiles a range of variables into a score out of 100: the higher the score, the higher the level of digital inclusion. While it is not perfect, the ADII is one of the best regular sources of telecommunications affordability data (especially since the ABS ceased collecting key data) and is used by a range of stakeholders engaged in digital inclusion policy and programs.

This report summarises (sometimes in different format) the South Australian affordability data in the recently released 2020 Australian Digital Inclusion Index and provides some commentary on the drivers behind the numbers.

Affordability Patterns

The affordability of data in the ADII for South Australia is set in the context where SA lags behind the country in digital inclusion generally, and in affordability. In 2020 South Australia was the second lowest state or territory (with Tasmania the lowest) for digital inclusion, and the third lowest in telecommunications affordability (leap-frogging the Northern Territory, but the survey numbers for the NT are low and not as reliable). Further, as evident in Figure 2 below, the difference in the affordability score between South Australia and the Australian average is greater than the difference for access or ability (a 1.4 point difference in affordability as opposed to 1.1 point difference in overall digital inclusion).¹

¹ It is important to note that the ADII affordability indicator deals only with internet access (mobile phone, mobile broadband and fixed broadband). It does not include landlines or devices. However, while there may be some differences among particular demographic groups (for instance, greater use of landlines among older people) the general patterns identified here would be broadly similar across total telecommunications expenditure.

Figure 2: Digital Inclusion Summary, 2020



The ADII also breaks this affordability indicator into two parts:

- relative expenditure (i.e. the proportion of household income spent on telecommunications); and
- value of expenditure (i.e. the total internet data allowance per dollar of expenditure).

As Table 3 shows, South Australia is slightly ahead of the national average in terms of the value of expenditure, but lags in relative expenditure – in part due to lower household incomes (underlying the fact that affordability is a function of both income and expenditure).

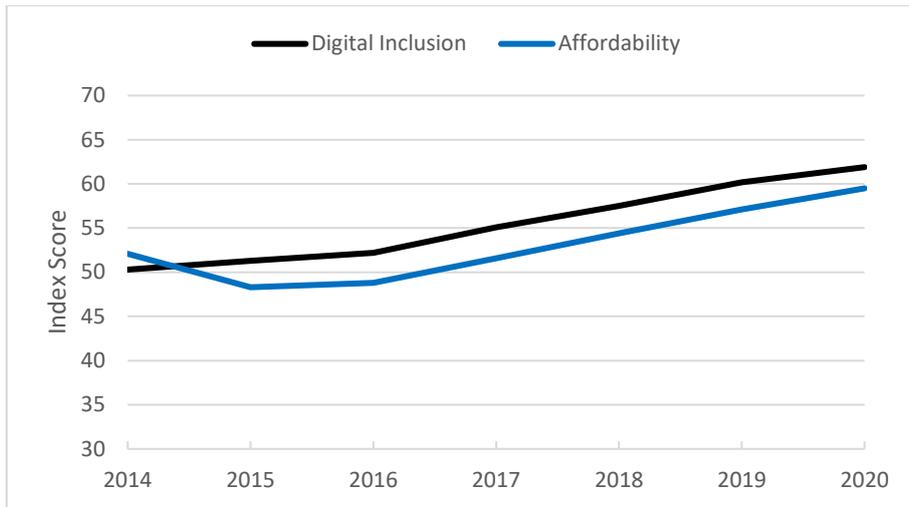
Table 3: ADII Affordability Scores, National and SA

	South Australia	Australia
Relative Expenditure	51.7	54.7
Value for Money	67.4	67.0
<i>Affordability</i>	<i>59.5</i>	<i>60.9</i>

Changes Over Time

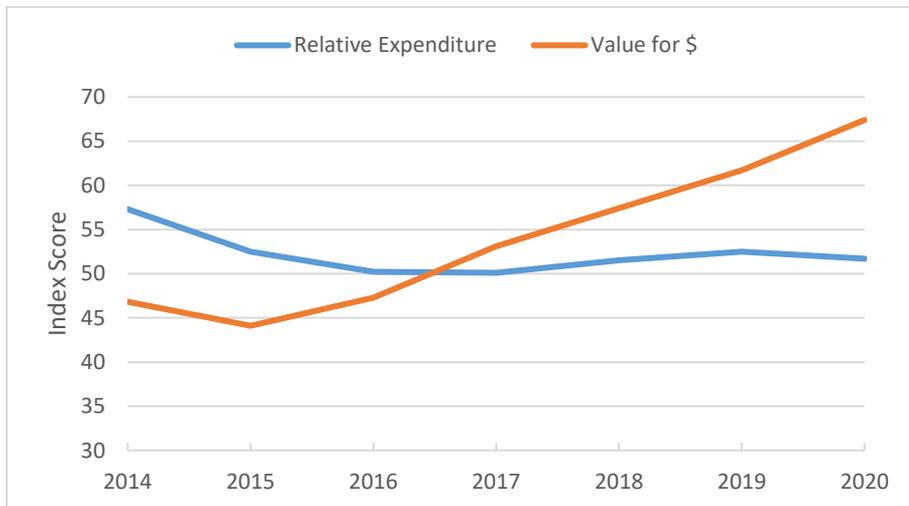
Overall, both digital inclusion generally and the affordability component of digital inclusion in South Australia have increased over the seven years of the digital inclusion index – although as Figure 3 below shows, affordability went backwards in the early years of the index.

Figure 3: Digital Inclusion and Affordability Changes, SA



However, there are some important nuances in the changes over time. Figure 4 plots the affordability sub-indexes which show that the increase in affordability has been driven entirely by increased value for expenditure as data has become significantly cheaper in recent years. By contrast, the relative expenditure index has declined over the seven years of the ADII due to a combination of increasing telecommunications usage (leading to increased or steady expenditure despite decreasing unit costs) and stagnating household incomes.

Figure 4: ADII Affordability Sub-Indexes, SA



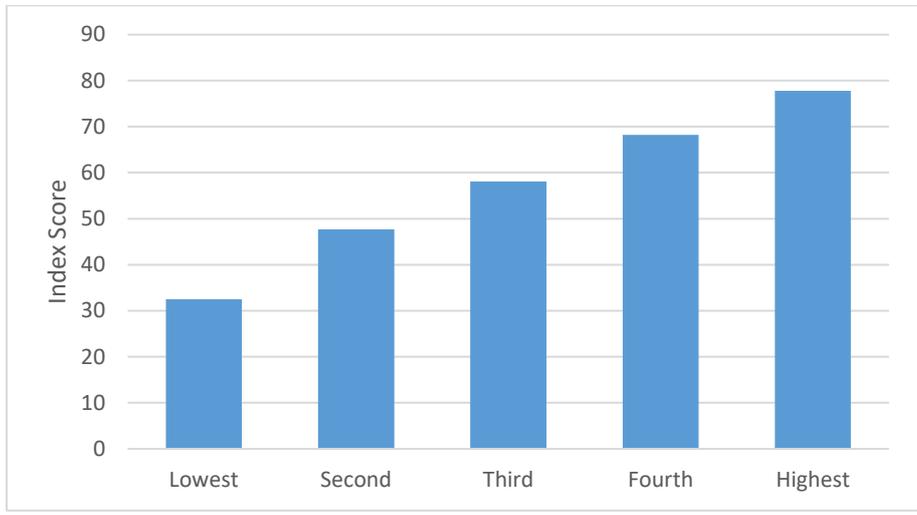
Both the overall SA trends of increasing digital inclusion and affordability, and the increase in relative expenditure (despite significant falls in the price of data) reflect similar trends in the national data.

Income Quintiles

While the aggregate state-wide data above is important, there are significant differences within communities. As the ADII authors note “aggregate affordability results obscure somewhat the hardships faced by those households on low or fixed incomes seeking to remain digitally connected”(Thomas et al., 2020. p15), and the data clearly shows that digital inclusion increases with income. This is particularly evident in relation to affordability, and the graph below shows the

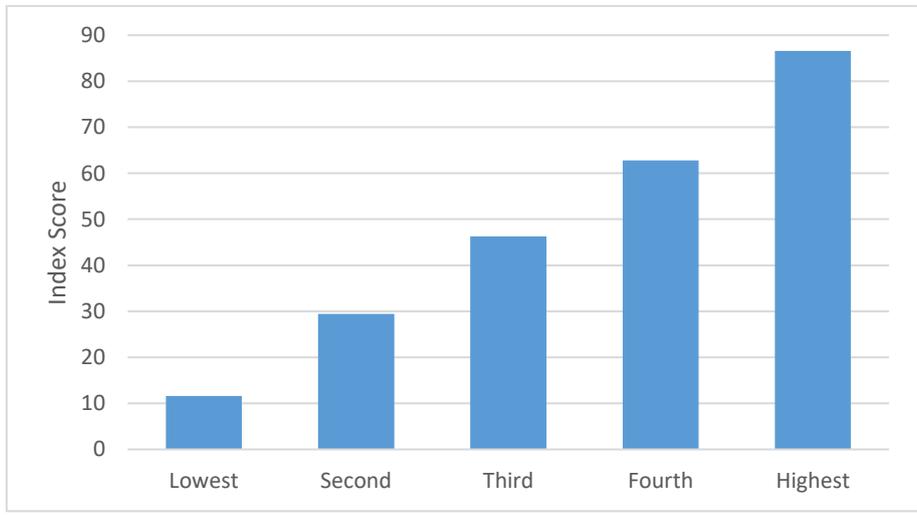
ADII affordability score for South Australia by income quintile, (remembering that it is essentially a score out of 100 so affordability improves as income gets higher).²

Figure 5: ADII Affordability Data, by Income Quintile, SA



Unsurprisingly, the shape of this graph is replicated (with a steeper gradient – i.e. greater difference between the quintiles) when looking at relative expenditure (see Figure 6 below).

Figure 6: Expenditure as Proportion of Income, SA



However, this relative expenditure data is also important because it allows us to go beyond the abstraction of the index numbers. Given the way the index is constructed (see Appendix: Explanatory Note 4), SACOSS calculates that in practice, the 11.6 score for the lowest income quintile means that more than half of those households spend more than 2.75% of their income on internet connections. In fact, the actual expenditure on all telecommunications is likely to be higher than that because as noted above, the ADII does not include landlines and some devices.

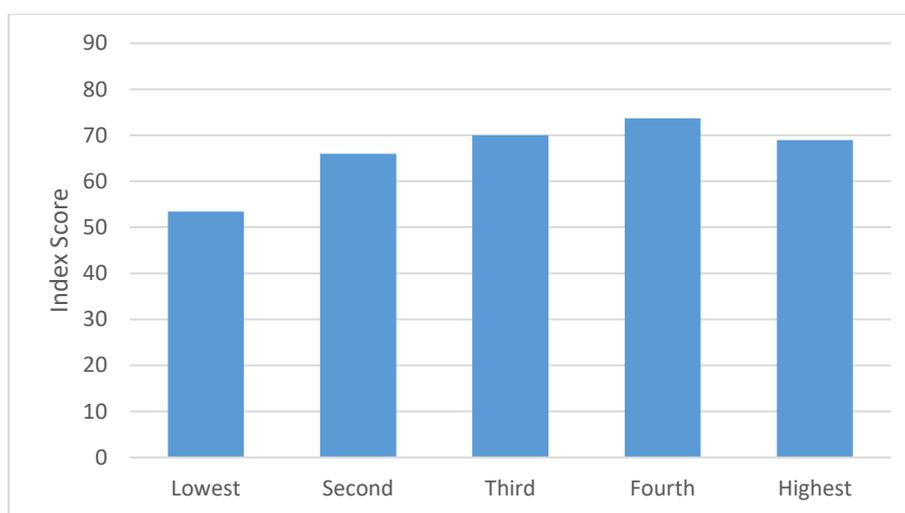
² Note: The ADII uses a different nomenclature to describe the income quintiles, with the highest income quintile referred to as Q1 and the lowest as Q5. However, for consistency with previous SACOSS cost of living reports (and ABS nomenclature), the numbering is reversed here so Q1 is the lowest quintile, the second quintile is the second lowest income, etc.

The impact of telecommunications expenditure on the household budget is also likely to be higher than appears in the ADII because the ADII appears to use gross household income rather than the after-tax disposable income figures SACOSS employs from the ABS data. The ABS *HES* data shows the lowest income quintile spending around 6.2% of disposable income (Ogle, 2017).

Again though, regardless of the different base number, the regressive nature of the telecommunications expenditure is clear in the ADII data and the numbers of households in the lowest income quintiles with relatively high communications costs are a particular concern.

Similarly, the value for money data also shows a regressive pattern with the lowest income quintile 15.6 points below the highest income quintile (again noting that the higher the score, the more data obtained per dollar expenditure). Curiously though, as evident in Figure 7 below, the highest quintile receives less value for money than the fourth quintile, a phenomenon which is also recorded in the national data for 2020.

Figure 7: Value of Expenditure by Income Quintile, SA

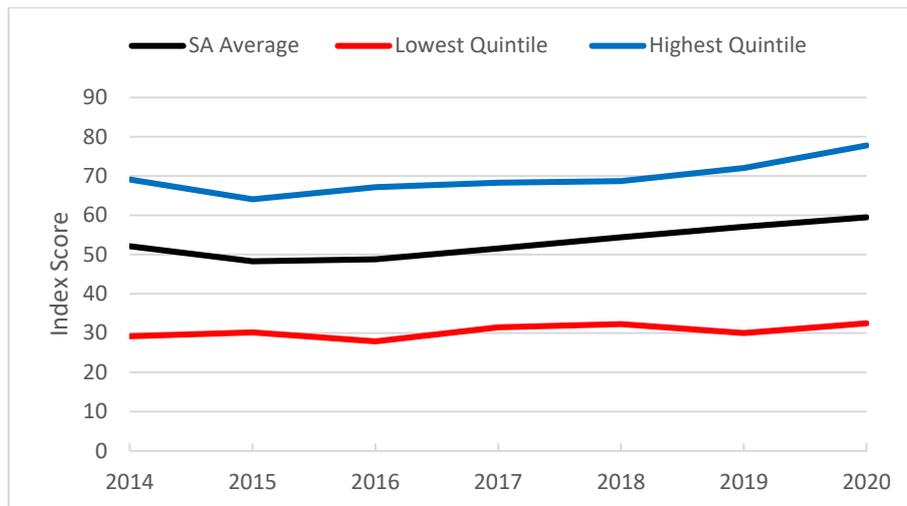


In practice, SACOSS calculates that this difference in value for money translates into the lowest income quintile on average getting 3.2GB of data for every dollar spent, while those in the fourth income quintile received 6.6GB of data per dollar spent – more than twice the value for money (see Appendix: Explanatory Note 4 for more details of this estimate and caveats).

There are a range of reasons or contributors to this different value for money, including the lower income quintile households being more reliant on mobile data, using more pre-paid data, and having smaller plans with more expensive data (or without unlimited data). While consumption patterns and needs may differ, in many cases this lesser value for money for lower income households is simply a poverty premium where it simply costs more to be poor and be unable to afford bigger data spends.

Equally alarming though is the fact that while average telecommunications affordability has increased over the period covered by the ADII, this is not the case – or not to the same extent – for households in the lowest income quintile. Figure 8 shows that affordability has barely increased for the lowest income quintile over the period of the ADII, and the affordability gap to both the highest income quintile and the South Australian average has increased since 2015.

Figure 8: Affordability Changes, Highest & Lowest Income Quintile, SA



The underlying trends were the same as for other households (captured in Figure 4). Like the average household, low income households benefitted from increased value for money, but the relative expenditure declined steadily and markedly for those on the lowest incomes from 23.1 in 2014 to 11.6 in 2020. Again, this is a product of increased usage coupled with stagnating or declining real incomes, but the increasing affordability gap means that those on lowest incomes continue to struggle with digital inclusion.

Regional SA

The ADII also highlights crucial gaps between city and regional areas, both nationally and in South Australia. As evident in Table 4, there is a 6.7-point gap in affordability between Adelaide and regional South Australia (noting that the ADII data does not cover remote communities) with those in regional South Australia spending proportionately more on telecommunications and receiving less value for money than their city counterparts.³

That said, the affordability gap is lower than the overall gap in digital inclusion in South Australia (meaning gaps in access and digital ability and use are worse) and the affordability gap between city and country areas is lower in SA than the national gap between capital cities and regional areas (which was 9.7 points in 2020).

Table 4: ADII Adelaide and Regional SA

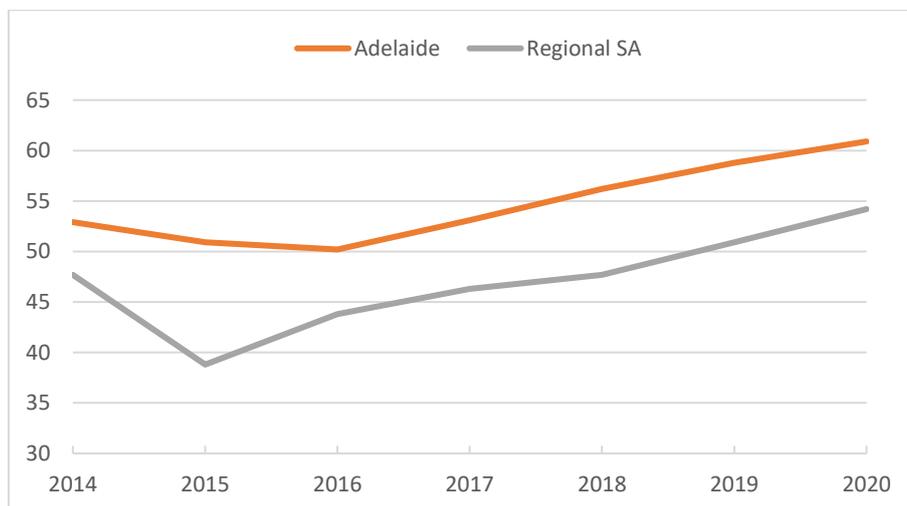
	Adelaide	Regional SA	Gap
Relative Expenditure	52.7	47.6	5.1
Value of Expenditure	69.1	60.9	8.2
Affordability	60.9	54.2	6.7
Digital Inclusion	63.8	55.4	8.4

³ It should be noted that the ADII does not cover remote communities, and we have not included the ADII data for three South Australian sub-regions (Yorke & Murray, Eyre, and the South East) because the survey numbers are low and the data is not as reliable as the overall regional data.

As with the analysis of income quintiles, there are a range of factors which contribute to the differences in affordability between cities and regional areas. The average income in Regional SA is lower than in Adelaide, so the same expenditure on telecommunications is likely to be a higher proportion of the household budget (hence the lower relative expenditure index score). Further, people in regional SA may be paying more for each unit of data because of increased reliance on more limited technology (e.g. Skymuster satellites), they have fewer choices in retailers as many cut-price providers do not service regional areas, and potentially also because less usage or familiarity (as evident in the ADII ability data) makes shopping around to get a better deal more difficult.

However, while access to services and digital ability in regional areas has improved over the seven years of the ADII, the gap between Adelaide and regional SA has been a perennial feature of the South Australian (and national) ADII data. As Figure 10 shows, (apart from an anomaly in 2015) the gap has remained relatively steady over the last 5 years but is actually bigger now than in the first year of measurement (5.2 points in 2014, 6.7 points in 2020).

Figure 9: Affordability Over Time, Adelaide and Regional SA



Again, the fact that people in regional SA are paying more for telecommunications as a proportion of their household budget, and receiving less value for money, is problematic in terms of both fairness and the particular potential of digital technologies to overcome some of the disadvantaged of distance faced by regional South Australia.

Conclusion and Recommendations

The Australian Digital Inclusion Index data that is highlighted in this report puts telecommunications affordability in the broader context of digital inclusion, and it provides up to date data for analysing some of the key demographics and dynamics. Most importantly, the 2020 ADII data shows that (despite significant decreases in data costs) telecommunications affordability remains an issue, particularly for those on low incomes, and that telecommunications remains more expensive (both relatively and absolutely) for those in regional areas than for Adelaide residents.

There is no simple fix for these issues, but the data shows that even where there is improvement in affordability, the gaps between those struggling most and the average Adelaide resident are not

decreasing. If digital inclusion is to be a new frontier of poverty (both a reflection of people being left behind and a driver of further inequality), then the failure to close some of the digital inclusion gaps is a problem.

In various reports over a number of years SACOSS has made various recommendations to government, the telecommunications industry and the community sector to help address issues of telecommunications affordability for vulnerable and disadvantaged people. While there has been progress in some areas, what is most alarming is that there is no overall plan to deal with the affordability issue or the wider challenges of digital inclusion in South Australia.

Prior to the 2018 state election SACOSS called for all parties to commit to a statewide digital inclusion. Other state governments have taken action. The Tasmanian government commissioned research on digital inclusion as part of the development of a strategy that aims to ‘increase the capability and affordability for Tasmanians who are currently experiencing high levels of digital exclusion’ (TASCOSS, 2019). Both Queensland and the Northern Territory have digital inclusion goals embedded in broader digital strategies (NT Govt, 2018; Qld Govt, 2017), while the Western Australia government has just closed its public consultation on its draft Digital Inclusion in WA Blueprint (WA Govt, 2020). By contrast, the South Australian government Digital Transformation Strategy is focused entirely on government service provision and does not address digital inclusion in the broader community (Govt of SA, 2020).

It is unlikely that South Australia will improve its digital inclusion performance without a concerted plan and effort, including policies aimed at addressing telecommunications affordability. State-based affordability measures are limited (as telecommunications is regulated by the national government), but measures SACOSS has previously proposed like free public wi-fi, unmetered government websites, and the provision of laptops and data to all public school students would make a contribution to both access and affordability. However, these are only limited measures designed to contribute to **what is most clearly needed, a statewide digital inclusion plan**.

Finally, SACOSS notes that (despite having regulatory responsibility) there is also a lack of a coordinated digital inclusion plan at the national level. In October this year the Australian Digital Inclusion Alliance (ADIA), a shared initiative of over 400 business, government, academic and community organisations across the country, issued a position paper which identified 65 separate programs, frameworks and strategies in the digital inclusion area across the country. In response to such fragmentation, the ADIA has called for a National Digital Inclusion Roadmap and for responsibility for digital inclusion to sit with one department (ADIA, 2020). SACOSS endorses this call, but still sees the need for a South Australian-specific plan to sit alongside such a national initiative.

APPENDIX: Explanatory Notes

1. CPI and Living Cost Indexes

The ABS Selected Living Cost Indexes 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 Selected Living Cost Indexes 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, 2020a).

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 South Australia. While it is safe to assume that social security recipients are among the most vulnerable and disadvantaged, any household-based data for multi-person households says 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 South Australian 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 2015-16 *Household Expenditure Survey*) add up to well over the actual social security 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 social security recipient in the same household. Like the CPI, the Selected 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 *Household Expenditure Survey*), but over time the price of some necessities may increase rapidly,

forcing people to change expenditure patterns to cover the increased cost. There is some adjustment of weightings for this, but these can't be checked without a new survey. 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: 1.51 people for aged pensioners, and 2.46 for other social security recipients (ABS, 2019b). This makes comparison with allowances difficult. This *Update* focuses on single person households for age pensioners, and a single person with two children (to align to the other social security recipient household average of 2.46 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. Income Support Payment Calculations – March 2020

Even using the base rate of benefits, the calculation of the relevant weekly incomes is difficult because of the complexity of the income support system which means that payment eligibility and rates change depending on the exact circumstances of the household (e.g. age of children, assets). The calculation is also complex because of changes over time in eligibility and available benefits. However, based on an assumption of a single Aged Pensioner and a single Newstart recipient with two children (aged 10 and 14) – with neither receiving Commonwealth Rent Assistance, the basic income supports payments are as follows:

Rates at 30 September 2019

	Base Rate	Pension Supplement	Energy Supplement	FTB A Child u13	FTB A Child 13-15	FTB B	Pharmac Benefit	TOTAL PAYMENT
Aged Pension	\$425.20	34.45	7.05					\$466.70
Newstart - 2 children	\$302.35		4.75	93.1	121.1	55.30	3.1	\$579.70

Rates at 30 September 2020

	Base Rate	Pension Supplement	Energy Supplement	FTB A Child u13	FTB A Child 13-15	FTB B	Pharmac Benefit	TOTAL PAYMENT
Aged Pension	\$430.30	34.80	7.05					\$472.15
Newstart - 2 children	\$306.00		4.75	94.78	123.27	56.28	3.1	\$588.18

4. SACOSS Calculations from the ADII Data

Relative Expenditure

While the actual ADII income and expenditure data from the Roy Morgan survey is not publicly available, SACOSS used methodology note 77 in the ADII to calculate that an ADII relative expenditure score of 11.6 for the lowest income quintile meant more than half of that quintile

spent more than 2.75% of income on telecommunications. In the ADII, households are scored based on the range of relative expenditure as follows:

Expenditure as % of Income	ADII Score
0.01 – 0.73%	100
0.74 – 1.13%	75
1.14 – 1.65%	50
1.66 – 2.75%	25
2.75% or more	0

Accordingly, for the lowest income quintile to average 11.6, more than half must have scored zero. Even assuming half the households only scored 25 points (the lowest possible score above zero), the average score would be 12.5, so the lower actual score suggests more than half scored zero. Indeed, given that some households in the lowest income quintile would have scored more than 25 points, they would push the average higher – meaning that for an 11.6 average score even more households would have had to score zero.

Value for Money Calculation

Again, the actual ADII data from the Roy Morgan survey is not publicly available, but SACOSS translates the index data into actual expenditure by simply locating the index number in the ADII score ranges (methodology note 78), and then applying this location within the score range to the gigabyte data range. Thus, in the ADII those receiving 0.71-2.6GB of data per dollar of expenditure were scored at 50 points, while those receiving 2.61-6.8GB were scored at 75. The lowest income quintile score of 53.4 sits just within the higher score range, with the extra 3.4 points (above 50) being 13.6% of the range of 25 points. Accordingly, SACOSS applies this 13.6% to the range of GB/dollar: 13.6% of a 4.19GB range = 0.57 GB, which is added to the bottom of the range to give 2.61 +0.57 = 3.18GB/dollar expenditure. The fourth quintile has a value for money score of 73.7, which is 95% of the way towards the top of the 2.61-6.8GB range, thus adding 3.97GB to the bottom of the range for a result of 6.58GB/dollar. However, in all cases it is an estimate, not a strict translation into actual expenditure because the index scores are done in 25-point blocks, rather than a continuous scale.

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