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**SENATOR THE HON MATHIAS CORMANN**  
**Minister for Finance**  
**Deputy Leader of the Government in the Senate**

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Mr Richard Griffiths  
Australian Council of Public Sector Retiree Organisations Inc.  
12 Muresk Street  
FARRER ACT 2607

Dear Mr Griffiths

Thank you for your letter of 12 September 2017 regarding indexation of Commonwealth civilian superannuation scheme pensions and quality adjustments made by the Australian Bureau of Statistics (ABS) to calculate the Consumer Price Index (CPI).


I appreciate the difficulties that pensioners and superannuants face when living on a fixed income. However, access to an indexed lifetime pension as part of an employment package is available to relatively few Australians.

The Government considers that Commonwealth civilian superannuation schemes provide benefits that compare favourably with those available to the general community and therefore intends to maintain the current way that these pensions are indexed.

I am advised that the ABS gives careful consideration to quality adjustments in the CPI and has strategies in place to minimise quality adjustment bias. The adjustments made are in accordance with international statistical practice.

Thank you again for your letter.

Kind regards



Mathias Cormann  
**Minister for Finance**

23 October 2017