Mr Podger’s article (*The Public Sector Informant,* 5 Feb, p 6) is part of an argument with the Grattan Institute about where to next with retirement incomes policy. In it he focusses on *outcomes* (For goodness sakes!) and says “The Commonwealth already provides indexed annuities in the form of age pensions - why not allow it to sell them as well?” Presumably he refers to the current age pension indexation arrangements, which are linked to both wages and CPI?

On the opposite page, Dr Daley, of the Grattan Institute, argues that scum-bag retirees don't spend all their income anyway, in case they run out of money, so they can afford to receive less, and comments “Retirement incomes should be compared with pre-retirement incomes, adjusted for price inflation, not wage inflation.”

The problem is that *there is currently no published measure of changes in the retail prices of the things people buy* - the CPI uses prices adjusted (downwards) for (un-reported) “quality improvements”. This is why recipients of Centrelink benefits, which have been indexed by only CPI since the mid-1990s, are starving and/or on the streets. It is only in recent years, when workers' wage increases have barely equalled CPI, that the full impact of CPI indexation has been felt by the whole Australian community and general protests have started.

Then, in a post-script article, Mr Podger has an each-way bet. “I tend to a middle position, supporting wage indexation of age pensions but CPI indexation of super pensions.” Huh!? Why?

Who, if anyone, should we believe?