



Senator the Hon Anne Ruston

**Minister for Families and Social Services
Minister for Women's Safety
Senator for South Australia
Manager of Government Business in the Senate**

Ref: MC21-006094

Senator the Hon Eric Abetz
Senator for Tasmania
GPO Box 1675
HOBART TAS 7000

Dear ^{Eric}~~Senator Abetz~~

Thank you for your letter dated 14 July 2021, concerning the non-indexation of United Kingdom (UK) pensions in Australia and the cost of this to the Australian Budget.

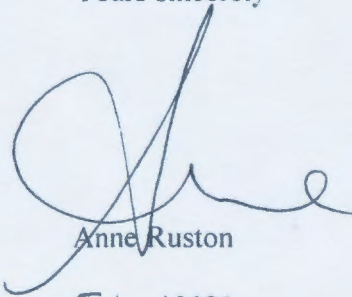
The non-indexation of UK pensions in Australia erodes the value of the UK pension over time and places an increased cost on the Australian taxpayer-funded social security system in relation to pensioners who supplement their UK pension with the Australian means-tested Age Pension.

As at June 2021, it is estimated the non-indexation of UK pensions costs Australia around \$110 million per year in increased Age Pension expenditure. It is important to note this is an indicative figure, based on the most recent available data and exchange rates.

The Australia Government has made multiple representations to the UK Government on this issue over the years on behalf of UK pensioners in Australia and will continue to do so.

Thank you again for raising this matter.

Yours sincerely



Anne Ruston

5/10/2021