



**DEFENCE RETIREMENTS AND DEATH BENEFITS  
COMMUTATION CAMPAIGN**

**DFRDB COMMUTATION CAMPAIGN  
SUBMISSION**

**OMBUDSMAN'S  
INDEPENDENT  
INQUIRY**

**June 2019**



**VETERANS' DFRDB  
STOP THE  
DEBT SENTENCE**



**DEFENCE RETIREMENTS AND DEATH BENEFITS  
COMMUTATION CAMPAIGN**

## **PURPOSE**

**This Submission is made at the invitation of the Commonwealth Ombudsman in the conduct of an Investigation into the Accuracy of Information provided by DFRDB Scheme Administrators and Relevant Departments to Scheme Members in relation to COMMUTATION**



**DEFENCE RETIREMENTS AND DEATH BENEFITS  
COMMUTATION CAMPAIGN**

This Submission is made by the  
DFRDB-COMMUTATION  
CAMPAIGN  
as lodged by  
Wing Commander Retd. Ken Stone,  
an advocate for an estimated  
55,000 DFRDB Superannuants,  
who accepted a lump sum benefit  
proffered by the Commonwealth  
Superannuation agency, the  
DFRDB Authority.

Those represented under this  
lodgement include some 1,100  
superannuants registered with the  
DFRDB Commutation Campaign,  
as conducted by Ken Stone.





**DEFENCE RETIREMENTS AND DEATH BENEFITS  
COMMUTATION CAMPAIGN**

**THIS SUBMISSION IS SUPPORTED BY OVER  
400 STATUTORY DECLARATIONS  
LODGED WITH THE OMBUDSMAN BY LONG-  
TERM VETERAN DFRDB SUPERANNUANTS  
AFFECTED BY THE LIFE-TERM  
REIMBURSEMENT OF THEIR COMMUTATION  
BENEFIT.**

EACH VETERAN ACCEPTED THE PROFFERED LUMP SUM  
BENEFIT FROM THE DFRDB AUTHORITY,

**UNDER THE DELUSION THAT,**

THE COMMUTATION WAS FULLY- REPAYABLE,  
CONSISTENT WITH THE CALCULATION METHOD USED  
TO DETERMINE THE REDUCTION IN THEIR  
SUPERANNUATION PAY, UNTIL THEIR NOTIONAL LIFE  
EXPECTANCY POINT WAS REACHED.

**EACH OF THESE STATUTORY DECLARATIONS  
CONSTITUTES LEGAL ATTESTMENT THAT, AS  
A BENEFICIARY OF A DFRDB COMMUTATION,  
THE CONDITIONS OF ACCEPTING THEIR  
COMMUTATION WERE NEVER CONVEYED  
CLEARLY AND ACCURATELY TO THEM IN ANY  
FORM OF COMMUNICATION BY THE DFRDB  
AUTHORITY.**





**DEFENCE RETIREMENTS AND DEATH BENEFITS  
COMMUTATION CAMPAIGN**

**INDEPENDENT INQUIRY  
Briefing of Ex-Service  
Organisations Regarding  
their tasking to create  
FOIs**



**VETERANS' DFRDB  
STOP THE  
DEBT SENTENCE**



**DEFENCE RETIREMENTS AND DEATH BENEFITS  
COMMUTATION CAMPAIGN**

**FINANCIAL SERVICES ROYAL  
COMMISSION**

**Exclusion of Commonwealth  
Superannuation Schemes  
including the  
DFRDB Scheme**



**VETERANS' DFRDB  
STOP THE  
DEBT SENTENCE**



**DEFENCE RETIREMENTS AND DEATH BENEFITS  
COMMUTATION CAMPAIGN**

**DEFENCE FORCE RETIREMENT  
AND DEATH BENEFITS SCHEME**



**VETERANS' DFRDB  
STOP THE  
DEBT SENTENCE**



**DEFENCE RETIREMENTS AND DEATH BENEFITS  
COMMUTATION CAMPAIGN**

**ADMINISTRATIVE  
INCOMPETENCIES**



**VETERANS' DFRDB  
STOP THE  
DEBT SENTENCE**





**DEFENCE RETIREMENTS AND DEATH BENEFITS  
COMMUTATION CAMPAIGN**

**LOWER HOUSE  
PARLIAMMENTARY  
PETITION**



**VETERANS' DFRDB  
STOP THE  
DEBT SENTENCE**



**DEFENCE RETIREMENTS AND DEATH BENEFITS  
COMMUTATION CAMPAIGN**

# CONTENTIONS



**VETERANS' DFRDB  
STOP THE  
DEBT SENTENCE**



**DEFENCE RETIREMENTS AND DEATH BENEFITS  
COMMUTATION CAMPAIGN**

# **Cognitive Ineptitude**

The most serious deficiency in the DFRDB Authority (and other responsible organisations, particularly, Defence) to provide ACCURATE INFORMATION was the total failure to determine the essential COMMUNICATION demands of its **TARGET AUDIENCE.**

Their **TARGET AUDIENCE** was, in actuality, its CLIENT-base. That being, the cohort of the Australian Defence Force personnel, captured within its own COMPULSORY, CONTRIBUTORY superannuation scheme.

**The TARGET AUDIENCE was a unique cohort of individuals as a disciplined and homogenous group that had dedicated their mortal lives to serving the Commonwealth and Defending the Nation.**





## DEFENCE RETIREMENTS AND DEATH BENEFITS COMMUTATION CAMPAIGN

Their Clients possessed extraordinary skills-sets peculiar to their occupation as professional ADF personnel and far removed from that of their civilian contemporaries developing and administering their Superannuation Scheme.

A superannuation scheme that was specifically developed to retain and maintain that expertise within the ADF, thereby, reducing costs of Force-recruiting, Force-training and Force – re-establishment.

**As a cohort, this Target Audience was implicitly loyal and dedicated to its employer the Commonwealth of Australia. The cohort had explicit belief in its employer and its reciprocal role within the Employer-Employee relationship.**





## **DEFENCE RETIREMENTS AND DEATH BENEFITS COMMUTATION CAMPAIGN**

**This professional cohort committed itself totally to Military Law unquestioningly and in full belief of what was conveyed to it from its Employer, as being at face value, authentic, and without need for interpretation.**

Undeniably, this Target Audience accepted indisputably that communications from the ADF were precisely accurate. Under the ADF's Duty of Care to them, they relied on the accuracy of all communications, without the necessity for further interpretation. Their whole Service mandate was predicated upon proper and lawful information that they could totally rely upon in life and death situations.

**Where the interpretation of LAW was required, they had no need or expectation to defer to Acts of Parliament, complicated policy interpretation and duplicitous elucidation – this was institutionally delivered to them predetermined by the Authorities they served.**





## **DEFENCE RETIREMENTS AND DEATH BENEFITS COMMUTATION CAMPAIGN**

The evidence of the foregoing is under-pinned by the reality that this cohort of highly intelligent professionals, were duped into accepting, without question, a dubious and deleterious financial arrangement, offered by their employer, the Commonwealth of Australia, as a life-term disadvantageous impost.

**In reality the proffered COMMUTATION benefit was accepted by every rank within the three, armed-services, including, Commodores, Generals, and Air Vice Marshals down to the lowest ranked individuals of the ADF.**

**An estimated 55,000 in total.**

As superannuants, this cohort had no expectation the Commonwealth would exploit or disadvantage them.





## DEFENCE RETIREMENTS AND DEATH BENEFITS COMMUTATION CAMPAIGN

As a group they were aware that the ADF had plentiful legal resources and their expectation under their Employer-Employee compact was that clear legal interpretation of matters affecting their welfare would be made to protect their interests as an essential element of that relationship.

**As a consequence of the foregoing this Cohort had no expectations of even a need to access Acts of Parliament, Legislation, and policy documents or to interpret DFRDB brochures as made available to them through a tenuous distribution system rather than under the certainty of addressing to each individual of the cohort within and without the ADF.**

The DFRDB Authorities INEPTITUDE in COMMUNICATIONS extended to superannuants throughout the entirety of the relationship by failing to provided comprehensive accounting and Scheme updated other than indexation changes consistent with commercial Best Practice.







## DEFENCE RETIREMENTS AND DEATH BENEFITS COMMUTATION CAMPAIGN

# CONTENTIONS

- **Rationale** - Although the Life-Term Repayment of Commutation was an element of the DFRB Fund, the rationale of it being a condition of Lump Sum benefits of the Military Superannuation scheme was not revealed to contributors to the replacement DFRDB Fund.
- **Declaration – The DFRB Handbook** issued by the DFRB Board to contributors/superannuants (distribution unknown) carried a warning to contributors regarding of the life-term repayment impost on future superannuants.
- **Carry-over** – DFRDB Administration carried the above provision of the old Fund into the new Scheme without it being forecast as an element of the replacement DFRDB Superannuation Scheme. This being, despite the fundamental differences with the DFRB Fund being a FUNDED Superannuation scheme, and the DFRDB Scheme being an UNFUNDED scheme.
- **Definition** – The new scheme's enabling-legislation, the DFRDB ACT of 1973, failed to DEFINE the term COMMUTATION as it applied within the DFRDB Superannuation Scheme. This was exacerbated by the DFRDB Authority failing to accurately enunciate to contributors what constituted a Commutation benefit or the inherent risks in the acceptance of the benefit.
- **Disclosure** – the introductory information for the new, compulsory, contributory, DFRDB Scheme failed to reveal the WARNING regarding the impost of the life-term repayment conditions on superannuants, as detailed in the documentation of the previous DFRB Fund to its contributors.







## DEFENCE RETIREMENTS AND DEATH BENEFITS COMMUTATION CAMPAIGN

- **Obfuscation** – the DFRDBs introductory information brochures and subsequent leaflets, perpetuated a system of EXCLUSIONARY DETAILING of information to contributors. This was by failing to detail the CONDITIONS of accepting a Commutation clearly, concisely, and unambiguously.
- **Formalities** – the DFRDB Authority's Application Form to access the Lump Sum Commutation Benefit ineptly failed to carry the Terms of Acceptance and the CONDITIONS that applied to this transaction with Applicants who were led-blind into the transaction.
- **Coercion** – The DFRDB Authority inveigled contributors into accepting the proffered Lump Sum Commutation and its inherent Life-Term repayment by its active promotion of the accessibility to the benefit, without disclosing the potential of the impost to strip from superannuants of total reimbursements, far in excess of the amount of the benefit received.
- **Miscalculation** - The DFRDB Authority, incorrectly used Life Expectancy data that was outdated at the DFRDB Schemes commencement by some 11-years. The Authority continued to use this data to calculate reimbursements to Consolidated Revenue throughout the life of the Scheme. This disadvantaged Lump sum beneficiaries by reducing the duration within the calculation and increasing the amount of reimbursement.
- **Calculation** – The DFRDB Authority has advised that as with the CSS Superannuation Scheme, all contributions made to DFRDB Contributors are returned to them. This being an element of their Commutation - not as separate lump sum as applies to CSS retirees. Why should DFRDB reimbursement-calculations be INCLUSIVE of contributions, which then markedly increases pension reductions?





## DEFENCE RETIREMENTS AND DEATH BENEFITS COMMUTATION CAMPAIGN

- **COMMUNICATIONS** - The ineptitude of DFRDB Communications is apparent in all its dealings with Contributors and Superannuants both in process and execution.
  - Failure to ensure that formal information about the Scheme was delivered to and received by its clients, instead relying on ad-hoc processes such as by ADF distribution practices that the DFRDB Authority itself warned of as being undependable - referencing Commutation application submissions.
  - The failure to communicate with clarity and in plain English as per the Departmental guidelines espoused by the APS Style Manual within information literature intended for clients and correspondence.
  - Failure to provide proper financial account reporting consistent with commercial and Best Practice requirements: of debit and credit reporting, annual reports and forwarding of literature updates. Nothing other than advice of pension increases and an annual pocket calendar of scheduled Superannuation Pay payments.
  - Failure to recognise issues and to actively address these in concert with other responsible Departments. Matters such as the life-term reimbursement of Commutation then not being addressed for decades, despite countless enquiries about it. Once this issue became apparent the Authority failed to provide a formal notification and explanation to every superannuant, and the succession of Ministers of Veterans Affairs that were equally deluded. Similarly, Ministerial Officers failing to recognise the plethora of requests for Common Information without recognising





## DEFENCE RETIREMENTS AND DEATH BENEFITS COMMUTATION CAMPAIGN

an issue existed between the Department and its clients.

- Failure to execute DFRDB Authority – correspondence, to ensure accuracy, with reference to correct addressing, content, and clarity-of-meaning, by the use of ambiguous, convoluted and confusing language rather than plain English, e.g. claiming a reimbursement of an advance by lump sum is not a repayment, and that the life-term reduction in Superannuation Pay, is a benefit, inter alia.
- **Ministerial** – The ineptitude of a succession of Minister's Offices during the course of the DFRDBs Term by dependence on the Ministerial Correspondence process to respond to multiple enquiries about the Scheme. Additionally, the failure to recognise and respond to these by requiring a formal investigation by the Authority rather than repetitiously consigning the same response to thousands of enquiries from Electorates and individuals.
- **Departmental** – The failure of responsible Departments in the administration and policy-compliance of DFRDB Scheme administration. These include: Department of Defence; Department of Finance; Attorney General, Department of Treasury. These failures include, evasiveness, and, denial of responsibility for such oversight.
- **Appeal** – Failure of the Defence Ombudsman and Administrative Appeals Tribunal to conduct enquiries into the alleged issues raised with them about Commutation.





## DEFENCE RETIREMENTS AND DEATH BENEFITS COMMUTATION CAMPAIGN

### Fair decision making

Compliance with the law is a fundamental requirement of good decision making. The APS functions within an administrative law framework to ensure, among other things, that individuals and groups within the community receive fair and equitable treatment. One of the aims of this framework is to ensure that administrative decisions are correct, in the sense that they are made according to the law (and any guidelines and directions deriving from it), and preferable, in the sense that the best decision is made on the facts if there is a range of outcomes that are lawfully correct. Decision makers should also be able to demonstrate that their decisions are 'fair and reasonable' in the circumstances<sup>19</sup>, that the powers they exercise are properly authorised and used appropriately, that procedural fairness has been observed and they are able to provide reasons to explain and justify their decisions, ensuring fairness, transparency, consistency and accountability.

APS employees have a duty to exercise reasonable skill and diligence to ensure that information and advice provided, upon which the recipients are likely to rely, are accurate.

### APS Values

The APS is openly accountable for its actions, within the framework of Ministerial responsibility to the Government, the Parliament and the Australian public.

The APS is responsive to the Government in providing frank, honest, comprehensive, accurate and timely advice and in implementing the Government's policies and programs

**The CONTENTION of the DFRDB COMMUTATION CAMPAIGN is that by Exclusionary Detailing of the CONDITIONS pertaining to the acceptance of a Lump Sum benefit known as a COMMUTATION, the DFRDB Authority, throughout the term of the DFRDB Superannuation Scheme failed to meet the performance requirements, such as later espoused by the Public Governance, Performance and Accountability Bill 2013, particularly in regards to its responsibility to Veteran Superannuants covered by the Scheme, as the Authority's Clients.**

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA  
HOUSE OF REPRESENTATIVES

## PUBLIC GOVERNANCE, PERFORMANCE AND ACCOUNTABILITY BILL 2013





**DEFENCE RETIREMENTS AND DEATH BENEFITS  
COMMUTATION CAMPAIGN**

**EVIDENCE**



**VETERANS' DFRDB  
STOP THE  
DEBT SENTENCE**



**DEFENCE RETIREMENTS AND DEATH BENEFITS  
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# **EVIDENCE**

## **HISTORY of INCOMPETENCE**

**Possibly the most telling evidence of the systemic ineptitude and administrative shortcomings of the DFRDB Authority is the report of the Defence Ombudsman in 1986, enclosed.**

**This document details three separate cases of error by the DFRDB Authority where the benefits of superannuants were infringed by the ineptitude of the Authority.**





**DEFENCE RETIREMENTS AND DEATH BENEFITS  
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## **Defence Force Retirements Benefits Fund**

The DFRDB Scheme was modelled upon and declared to mirror the previous scheme the DFRB Fund.

The DFRB Fund provided a Handbook to contributors. Extracts provided here as EVIDENCE, show this document provided cautionary information to contributors regarding acceptance of Commutation from the Fund on Retirement from the ADF, as enclosed.

**The DFRDB Authority **failed** to convey this WARNING information to DFRDB contributors and intending superannuants regarding the detriment such action imposed on recipients of a Lump Sum Commutation.**





**DEFENCE RETIREMENTS AND DEATH BENEFITS  
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## **Defence Force Retirement and Death Benefits Scheme**

The DFRDB Scheme was introduced, administratively, by the DFRDB Authority Secretary, R J Perriman, by DFRDB Circular No.1973/3 on 02 August 1973 (enclosed) to all Service Departments. (assumed to be: Secretary's for Navy, Army and Air)

The Circular No.1973/7 also advised the production of two brochures – copies enclosed.

**The DFRDB Authority **failed** within these brochures, when released, to make any reference to the Life-Term impost of reimbursements on Veteran Superannuants in accepting a Lump sum Commutation. Furthermore, it also conveyed the FINITE reimbursement condition of the Commutation being and annual amount with no incrementation indicated, as opposed to future practice.**







## DEFENCE RETIREMENTS AND DEATH BENEFITS COMMUTATION CAMPAIGN

# Defence Force Retirement and Death Benefits Scheme

Following the distribution of the Brochures announced by Secretary Perriman in Circular 1973/7, the DFRDB Authority issued a series of further Brochures periodically until c2008. Copies of the 1981; 1985 and 1987 versions of these are enclosed as **EVIDENCE** in this folio being representative of all that are understood to have been distributed in the period referenced.

**The DFRDB Authority **failed** to make any reference to the Life-Term impost of reimbursements on Veteran Superannuants in accepting a Lump Sum Commutation within any these brochures.**

**Furthermore, there is a complete **LACK** of **EVIDENCE** for where the rationale under which a life-term impost could have ever arisen or been instigated.**





## DEFENCE RETIREMENTS AND DEATH BENEFITS COMMUTATION CAMPAIGN

# Defence Force Retirement and Death Benefits Scheme

Following a number of requests to DFRDB Customer Care one staff member forwarded and extract from the Defence Force Retirement and Death Benefits Manual enclosed herewith. This was advised as being used by DFRDB Staff as a ready reference and also to Defence Force Personnel in the Administration of the Scheme.

**This guide clearly states that ‘The reduced pension can never be restored during the members lifetime’. However, as noted above although claimed to be distributed to Defence administrators the life-term imposition was never conveyed to individual contributors by Defence or the DFRDB. The warning carried in the previous DFRB Fund information to contributors was not given.**

The reimbursements after commutation were confirmed as being as determined by the original calculation, a finite amount, not subject to incrementation as ultimately occurred.





## DEFENCE RETIREMENTS AND DEATH BENEFITS COMMUTATION CAMPAIGN

# Defence Force Retirement and Death Benefits Scheme ANNUAL REPORTS

Following the distribution of the Brochures as announced by Secretary Perriman in Circular 1973/7, and the series of further Brochures issued periodically until c2008, **no reference**, such as the warning in the original DFRB Fund Handbook, was made in some **35-years** to Veteran Superannuants.

**There was similarly **no reference** made to the Life Term impost within the Annual Reports of the DFRDB Authority (see enclosures this folio) until the **DFRDB Authority Annual Report of 2008-2009**.**

**The DFRDB Authority then **failed** in 2008-2009 to make any reference to the change to the terms of Commutation by formal advice to superannuants at that time, further exemplifying its **ineptitude as an administrator** of the Scheme.**





**DEFENCE RETIREMENTS AND DEATH BENEFITS  
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## **Defence Force Retirement and Death Benefits Scheme Contradictory Advice**

**In May 1981 the Air Force published a RAAF Discharge Handbook. Additionally, the Director General of Personnel-AF sponsored a series of Official Publications with the title Personnel Information Handbook. In total, six editions were printed in the period c1980 – 1993 (see enclosed).**

These publications contained a definition of DFRDB that was verbatim exactly what Veteran Superannuants understood the CONDITIONS of accepting a Commutation to be, quote:

**“When you receive retired pay (i.e. pension) you will have the right to Commute. This means that you are able to BORROW an amount equal to five times your retired pay at the time of your discharge and repay that amount over the time of your normal Life Expectancy”.**





**DEFENCE RETIREMENTS AND DEATH BENEFITS  
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## **Defence Force Retirement and Death Benefits Scheme Contradictory Advice**

**In research for EVIDENCE for this Submission to the Ombudsman, I requested assistance from Air Force to determine whether they could ascertain through their other Single-Service counterparts, whether similar publications were produced by Navy and Army for the information of their personnel. I also requested copies of each of the RAAF's Personnel Information Handbooks.**

**These requests were emphatically denied by Air Force vide that correspondence provided in this folio. Furthermore, the RAAF advised that these 'sponsored' documents were not 'official publications' and were purely advisory.**





## DEFENCE RETIREMENTS AND DEATH BENEFITS COMMUTATION CAMPAIGN

### VETERANS SUBSIDISE THEIR OWN SUPERANNUATION PAYMENTS

All information on the reductions in Superannuation Pay issued by the DFRDB Authority reiterated, that these were **a finite amount applied annually**, as determined by the quantum of the initial amount of Superannuation Pay.

DFRDB Superannuation Pay was a calculation based on Pay Level for Rank and Benefit Percentage from whole years of eligible Service completed. This calculation quantified an individual's **base-amount of annual GROSS Superannuation Pay**.

The individuals Lump Sum Benefit was derived by multiplying this base-rate of GROSS Superannuation Pay by a factor ranging between four and five times - on the basis of the year of retirement to offset taxation detriment. The amount so determined, which constituted the individuals annual GROSS Lump Sum Commutation benefit, was then divided by the number of years to an individual's Notional Life Expectancy (NLE).

The result represented the break-even point for the total **reimbursement to Consolidated Revenue**, when the individual fully repaid the amount received as their Lump Sum benefit, once their individual NLE point was reached.

The individual's **Gross Superannuation Pay** was first reduced by the amount of the reimbursement **Reduction Value** to deliver an amount in the first year, that represents their **'NET' Superannuation Pay** – being their **'Gross Superannuation Pay** minus their **Annual Reimbursement** deduction to Consolidated Revenue.

**What the DFRDB Authority should correctly have done, annually, was to recalculate the NET Superannuation by the indexation rate for that year to determine the new incremented Superannuation Pay for the period.**

**The Annual Reimbursement should have then been applied, thereby, reducing 'NET' Superannuation Pay for that year by the original calculated finite Reduction Value, and maintaining Superannuation Value consistent with the annual inflation rate.**







## **DEFENCE RETIREMENTS AND DEATH BENEFITS COMMUTATION CAMPAIGN**

Essentially, once having determined the Annual Reimbursement rate this amount, **UNCHANGED**, should have been deducted from the incremented Net Rate of pension annually - regardless of the increase to NET Superannuation Pay from indexation.

**Through the DFRDB Authority's ineptitude**, by employing the incorrect calculation method, the reimbursement of every individuals Commutation debt is fully retired years ahead of that individuals Notional Life Expectancy Point.

**This means that the increase in CPI each year escalates the reimbursement rate to Consolidated Revenue, at the expense of the annual Net Superannuation Pay benefit.**

For Example: In the first year of retirement the individual's Superannuation Pay is reduced by say \$745. This then quantifies their Net Superannuation Pay (or pension).

If the CPI at the end of the first year was, say 6%, then the second-year increase when applied to your Net Superannuation Salary results in your annual reimbursement of \$745 + 6% ( $745 \times 1.06$ ) giving a new, reimbursement rate, of \$789.70 per annum.

If the CPI at the end of the second year of retirement was 5% then the next reduction (reimbursement) would be  $789.7 \times 1.05 = \$829$  per annum.

**Essentially, under the DFRDB Authority's method of reimbursement to Consolidated Revenue, repayments increment annually by the CPI figure, rather than being static. This results in the indexation of the individuals Superannuation Pay not staying abreast of inflation and the gap between Veterans pensions and other Government Pensions growing exponentially.**

In one veteran's case his original Lump Sum Commutation was \$47699.

In 1986 his Reimbursement Rate to Consolidated Revenue was \$1379.

In 2018 his Reimbursement Rate to Consolidated Revenue had risen to \$3890 pa.

He calculates that he had fully retired his Reimbursement by 2007 and believes when he reaches his NLE-point, he will have paid into Consolidated Revenue about \$96400.

This is some \$48,000 more than the value of his Lump Sum Benefit!





## DEFENCE RETIREMENTS AND DEATH BENEFITS COMMUTATION CAMPAIGN

### RETURN of CONTRIBUTIONS to VETERANS on Retirement DFRB FUND and DFRDB SCHEME

- No mention of Return of DFRDB Contributions other than to those, ineligible for Superannuation in **DFRDB Act.**
- All contributors to the previous **DFRB Fund** upon which the DFRDB Scheme was modelled received full Return of Contributions on leaving the Fund including by those becoming Superannuants.
- All contributors to the **APS CSS scheme** received a full Refund of Contributions on leaving that Scheme.
- The **DFRDB AUTHORITY** advised that a full return of **Contributions** was also made to ALL DFRDB contributors leaving the Scheme. In the case of those opting for **COMMUTATION**, this was an element of their **LUMP SUM COMMUTATION** amount.

In light of Dot Point 4, surely this amount should have been removed from the total Commutation when calculating Reimbursement reductions to their Superannuation Pay. As this was NOT the case the DFRDBA has calculated reductions on the total Commutation figure, rather than that of the **Commutation Amount, MINUS Contributions**, which were a considerable proportion of their Calculation.

**Accordingly, it is Contended that the original reduction and all further annual reductions are far higher than should have been levied by the DFRDB Authority, casting further doubt on its administrative competency.**







**DEFENCE RETIREMENTS AND DEATH BENEFITS  
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**BRIEFINGS BY DFRDB  
AUTHORITY  
COUNSELLORS**

**Attribution to DFRDB Counsellor R Carnell**

This extract from a News Letter of the Royal Australian Navy's Communications Branch Association, was authored by a deceased DFRDB Superannuant and Advocate, John Graham.

The article includes an attribution by Mr Graham in respect to a conversation between him and Mr Ray Carnell one of the DFRDB's foremost Counsellors.

**The highlighted area of the document provides a record of an admission made to Mr Graham by Mr Carnell that the Life-Term repayment condition of accepting a Commutation was rarely mentioned at DFRDB presentations.**

**Mr Carnell advised that even he was unaware as to whether it was plainly stated within the DFRDB Legislation**





**DEFENCE RETIREMENTS AND DEATH BENEFITS  
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**BRIEFINGS BY DFRDB  
AUTHORITY  
COUNSELLORS**

**ADF Personnel were formally educated about the DFRDB Scheme at On-Base Briefing Sessions and at Resettlement Seminars. This was by means of presentations of about 40 minutes duration followed by a question and answers session.**

**Enclosed as EVIDENCE in this Submission are:**

- a Set of DFRDB Speaking Notes as used at an On-Base Presentation;
- A DVD that was recorded at two separate On-Base presentations by two separate DFRDB Presenters; and,
- A copy of an Attribution to DFRDB's predominant Presenter, Mr Ray Carnell.





## **DEFENCE RETIREMENTS AND DEATH BENEFITS COMMUTATION CAMPAIGN**

# **BRIEFINGS BY DFRDB AUTHORITY COUNSELLORS SPEAKING NOTES**

## **SUMMARY**

These Speaking Notes were provided at an On-Base session about the DFRDB Scheme by a DFRDB Counsellor to RAAF Personnel. The presentation content was consistent with that of the DVD records of Presentations contained in this Submission.

They serve to highlight the promotion of COMMUTATION as a must-have benefit component of the DFRDB Scheme for Long-Serving ADF Veterans that would be eligible for superannuation benefits on retirement.

**There were no WARNINGS about accepting commutation as carried by the information booklet of the previous Scheme the DFRB HANDBOOK.**

**Likewise, within the presentation notes there was no mention at all of the LIFE-TERM reimbursement provisions.**





**DEFENCE RETIREMENTS AND DEATH BENEFITS  
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**BRIEFINGS BY DFRDB  
AUTHORITY  
COUNSELLORS  
DVD RECORDED PRESENTATIONS**

**NOTE OF INTEREST**

**In each of the DVD Recorded Sessions  
The presenters made note that information  
brochures were available from the DFRDB  
Authority.**

**At both of the Recorded Sessions the  
presenters noted that they had insufficient  
copies of the information leaflets for the  
audience numbers.**





**DEFENCE RETIREMENTS AND DEATH BENEFITS  
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**APPEALS TO THE PRESIDENT  
ADMINISTRATIVE APPEALS  
TRIBUNAL**

**This folio contains a series of letter and emails seeking review of Exclusionary Detailing by the DFRDB Authority. Advises AAT cannot assist, despite being one of the Appeal Agencies for DFRDB**



**VETERANS' DFRDB  
STOP THE  
DEBT SENTENCE**



**DEFENCE RETIREMENTS AND DEATH BENEFITS  
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**APPEALS TO  
COMMONWEALTH  
SUPERANNUATION  
CORPORATION**

**This folio contains a series of letters and emails seeking review of Exclusionary Detailing by the DFRDB Authority. No response from DFRDB Board Chair to date other than to say the correspondence to her was reviewed.**



**VETERANS' DFRDB  
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**DEFENCE RETIREMENTS AND DEATH BENEFITS  
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**APPEALS TO THE  
ATTORNEY GENERAL**

**This folio contains a series of letter and emails  
seeking review of Exclusionary Detailing by the  
Attorney General.**

**Response to correspondence was that the  
lawful and ethical conduct of the DFRDB  
Scheme was not his responsibility**



**VETERANS' DFRDB  
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**DEFENCE RETIREMENTS AND DEATH BENEFITS  
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**APPEALS TO THE  
MINISTER FOR DEFENCE**

**This folio contains an appeal to the Minister of Defence that was unanswered until a response acknowledging receipt of the document by his successor.**



**VETERANS' DFRDB  
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**DEFENCE RETIREMENTS AND DEATH BENEFITS  
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**APPEALS TO THE  
AUDITOR GENERAL**

**This folio contains a series of letter and emails  
seeking review of Exclusionary Detailing by the  
Attorney General.**

**Response to correspondence was that the  
lawful and ethical conduct of the DFRDB  
Scheme was not his responsibility**





**DEFENCE RETIREMENTS AND DEATH BENEFITS  
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**APPEALS TO THE  
OMBUDSMAN**

**This folio contains a series of letter and emails seeking review of Exclusionary Detailing by the various Ombudsman.**

**None of these resulted in any positive follow-up action.**



**VETERANS' DFRDB  
STOP THE  
DEBT SENTENCE**



**DEFENCE RETIREMENTS AND DEATH BENEFITS  
COMMUTATION CAMPAIGN**

**Commonwealth Superannuation  
Commission  
THE FINAL BRUSHOFF**

**This folio contains the final response from the  
CSC's FOI Section's Administrator, General  
Counsel, Mr Adam Ivancic.**

**This includes the generic CSC Response to  
specific issues of enquiry to superannuants, the  
response by DFRDB COMMUTATION CAMPAIGN  
to CSC and the final reply from Mr Ivancic.**





**DEFENCE RETIREMENTS AND DEATH BENEFITS  
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# **ADMINISTRATIVE INEPTITUDE**



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# **SYSTEMIC ADMINISTRATIVE INEPTITUDE**

**The Administration of the DFRDB Superannuation Scheme displays significant administrative ineptitude across all levels of its management including Legislation; Ministerial Oversight; Policy Development; Departmental Oversight and Responsibility; Corporate management and administration at the operational level.**

**This includes the absence of TRANSPARENCY of Operational Management of the Scheme at all levels. The absence of apparent responsibility for the oversight of LEGAL OBSERVANCE, including, TRUSTEESHIP and AUDITING. The failure to convey the conditions placed on clients in PLAIN ENGLISH and the use of DUPLICITY to obscure and hide essential information from them.**

