

A1902468

30 January 2020

Mr Herb Ellerbock  
Australian Defence Force Retirees Association  
12 Alluvial St  
RUTHERGLEN VIC 3685

By email: [admin@adfra.org](mailto:admin@adfra.org)

Dear Mr Ellerbock

### **Defence Force Retirement and Death Benefits Scheme Report**

Thank you for your letter dated 14 January 2020 asking me to review my report into the administration of the Defence Force Retirement and Death Benefits (DFRDB) scheme, published in December 2019.

The scope of my investigation was framed having regard to the legislative remit of the Commonwealth Ombudsman (which is limited under s 5 of *the Ombudsman Act 1975*, to the investigation of ‘action that relates to a matter of administration’) and the allegations of defective administration of the DFRDB, which had gained considerable public interest at the time I initiated the investigation.

Correspondence between the Minister for Veterans’ Affairs, the Hon Darren Chester MP, and I, in advance of the investigation are included in my report. My letter, and subsequent public communication, were clear that the investigation was to look into the accuracy of information provided by scheme administrators and relevant departments to DFRDB scheme members in relation to commutation.

As the report makes clear, I particularly focused on of the allegation that government agencies had given members incorrect information about their DFRDB entitlements, and the implications of this for members. This was the central issue in my investigation, an action that relates to a matter of administration. I found that there had been defective administration, and recommended the Department of Defence and Chief of the Defence Force apologise to members for the historic maladministration. I am pleased that this recommendation was accepted.

As I outlined in my report, the many other issues you raised in your letter, which you also raised with us in your submission to our investigation, are matters of policy. These are determined by the Government and the Parliament of the day and are outside my jurisdiction to address. This means it would not be appropriate for me to explore these issues in great depth or advocate for any particular policy position to be taken, but for completeness I did outline these issues in my report. I note that the scope of my investigation was discussed with you by my staff in a meeting on 27 June 2019.

I am satisfied that I thoroughly considered the matters of administration that were brought to my attention during this process, and therefore fulfilled the legislative remit available to me under the *Ombudsman Act 1976*. I did so in the absence of any undue influence and came to conclusions based on a balanced assessment of the issues that were brought to my attention. I therefore completely reject your suggestion that my findings were “biased and selective”.

While I understand your frustration and disappointment that my report may not achieve all the outcomes you desired, I will not be revisiting the scope, findings or content of my report.

I have considered your feedback that there is a factual error in the report. I acknowledge the sentence ‘*DFRDB pension increases were authorised by separate annual Acts between 1 October 1972 and mid-1976*’ would have been better expressed without the word ‘annual’. I have approved a minor clarifying corrigenda to this effect. However, I note this issue is not material to the matters of administration at the core of my report, or to its findings and recommendations.

I will not be responding individually to your members who also sent me your letter of 14 January 2020. However, you are welcome to circulate this response letter to your members.

Thank you for your feedback. I trust this information is of assistance.

Yours sincerely



Michael Manthorpe PSM  
Commonwealth Ombudsman

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