



# AUSTRALIAN DEFENCE FORCE RETIREES ASSOCIATION

We act on behalf of Defence Force Retirees and their Military Superannuation grievances

Register on: <https://www.adfra.org/>

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## DFRDB UPDATE - March 2019

Hi All,

On Wednesday, 27 March, Herb Ellerbock and I met with Minister Darren Chester. We were told we had 20 minutes but our meeting lasted 35 minutes, on what was a very busy day for the Minister. The meeting was also attended by;

- The Department of Defence Department Head responsible for DFRDB;
- The Department of Defence DFRDB subject expert;
- Senator Bridget McKenzie's senior advisor;
- National Party candidate for the Federal seat of Indi; and
- The Minister's executive assistant.

Herb delivered a 15 minute PowerPoint presentation based on his revised paper [The Denial of Benefits in the DFRDB Scheme](#) (click to open). Herb prepared this paper with input from Peter Hayes (GpCapt retd), Ron Haack (WgCdr retd), myself and Christian Bennett (WgCdr retd) who provided much of the legal perspective.

Herb's presentation made clear that we are seeking:

1. The restoration of our benefits to the **Fair Indexation baseline**;
2. The removal of the partial indexation provisions which exclude from indexation an amount of our retirement/invalidity pay and our widows' pensions; and
3. The restoration of Commutation to a proportionate arrangement, by ceasing retirement pay reductions when we reach our notional retirement age, and refunding retirement pay reductions which exceed the amount commuted.

Herb's evidence in support of these goals was compelling. While the matter of Partial Indexation was news to the Minister and DoD personnel, the Minister seemed to understand and asked pertinent questions. His summed up by saying he understood that fundamentally, DFRDB members are seeking **fairness**. He suggested that the impending inquiry would go some way toward achieving that.

Unfortunately we were not able to address the Inquiry Terms of Reference (TOR). That will be left in the hands of DFWA at the upcoming ESO Round Table (ESORT) meeting with the Minister, so we are not sure of what outcomes the Inquiry is likely to lead to.

As the subject experts we have already asked to provide input to the TOR at the ESORT pre-meeting, but that request has been denied by the DFWA Executive Director and Secretary for ESORT.

We followed up our meeting with the Minister with [this email](#), and regardless, will be putting a major submission to the Inquiry.

Herb advised the Minister that his paper has also been forwarded it to:

- The Commonwealth Ombudsman under [covering letter](#);
- The Australian Financial Complaints Authority under [covering letter](#); and
- The Australian Human Rights Commission under [covering letter](#).

There is still much confusion over Commutation among DFRDB members, much of it based on incorrect assumptions being spread around, with some suggesting it is the only issue worth pursuing. But Herb's analysis, of the individual details of almost 1% of the total DFRDB recipient population, shows that for the **vast majority** of DFRDB retirees, our annual losses due to unfair and partial indexation are far greater than the amount of the annual losses from Commutation for those of us who have reached our notional life expectancy.

We are still well short of our target number of Case Studies we are seeking in support of our claim. The information we require is:

- Date of Retirement;
- Effective Years of Service;
- Initial Retirement Pay Entitlement;
- Total Amount Commuted;
- Gross Reduced Rate of Retirement Pay;
- Current Rate of Retirement Pay;
- Date of Effect (of Current Rate of Retirement Pay); and
- Contributions Due.

If you don't have these details they can be obtained from Commonwealth Superannuation Corporation (CSC) by emailing [FOI@csc.gov.au](mailto:FOI@csc.gov.au).

You can get from your Current Rate of Retirement Pay from your latest ComSuper CPI Advice or the DFRDB Members web site <https://www.csc.gov.au/members/log-in/dfrdb>.

Ensure you are registered on our <https://www.adfra.org/> web site. When you have your details, **Login** and enter the details on the **Case Study** or **Case Update** page.

Regards,

**Jim Hislop**