



SENATOR DAVID POCOCK
Senator for the ACT

24 August 2023

The Hon. Richard Marles MP
Deputy Prime Minister
Minister for Defence
Parliament House
CANBERRA ACT 2600

Dear Minister

I write to you on behalf of a number of retired defence force personnel within my community concerning the Defence Forces Retirement and Death Benefits (DFRDB) scheme.

There are a number of legacy issues with the scheme that members of my community would like to see addressed. On this occasion, I would like to seek your views on the adequacy of the current indexation arrangements for the DFRDB Scheme.

As I understand it, only a portion of a person's entitlement is indexed each year and has therefore led to the slow erosion of these pensions in real terms over the past three decades. It is my understanding that these indexation arrangements are similar to other Commonwealth defined benefit schemes, except that for other schemes, the portion of the entitlement that is not indexed grows as part of a funded arrangement.

I seek your views on the impact this policy is having on the retirement incomes of defence force personnel and whether your government may have plans to reform indexation arrangements in the coming years.

A number of my constituents have raised concerns in relation to the accuracy of the information they received when making the decision to commute part of their pension.

I understand that there has been a recognition that, in some cases, information provided to members was not accurate and that this amounted to defective administration.

I also recognise that your Department has provided tailored information on how members, if they feel that they are at a detriment as a result of defective administration, can make a claim under the *Scheme for Compensation for Detriment caused by Defective Administration*.

I will continue to direct members of my community to these resources on your Department's website should they wish to make a claim.

I look forward to your response.

Sincerely,

A handwritten signature in black ink, appearing to read "D Pocock". The signature is written in a cursive style with a large initial "D" and a smaller "Pocock" following it.

Senator David Pocock