



THE DEFENCE FORCE RETIREMENT THE BENEFITS SCHEME

ANNUAL REPORT OF THE DFRDB AUTHORITY 2000-2001



**The Defence Force Retirement and
Death Benefits Authority**

Annual Report 2000–01

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Note: All contribution, benefit, membership and exit statistics are derived solely from records available to the Commissioner for Superannuation as they stood at the time these statistics were compiled. Where statistics for earlier financial years are quoted, these may vary from those previously published due to the application of retrospective adjustments. For similar reasons statistical information in this report may also vary from that presented by other agencies.

Pension references: The DFRDB and DFRB Acts refer to ongoing benefits by various names, including retirement pay and pension. For convenience, and to standardise the terminology used in the annual reports produced by ComSuper, the term 'pension' is used throughout this report.

The Hon Bruce Scott MP
Minister Assisting the Minister for Defence
Parliament House
Canberra ACT 2600

Dear Minister

In accordance with subsection 16(1) of the *Defence Force Retirement and Death Benefits Act 1973* (the DFRDB Act), the Defence Force Retirement and Death Benefits Authority is pleased to submit to you its annual report. The report deals with the administration of the *Defence Force Retirement and Death Benefits Act 1973* and the *Defence Forces Retirement Benefits Act 1948* for the year ended 30 June 2001.

Subsection 16(2) of the DFRDB Act requires that you shall, as soon as practicable after receiving this report, cause a copy of it to be laid before each House of the Parliament.

Yours faithfully



Christine Goode
Chairman
DFRDB Authority

27 September 2001

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About the DFRDB Scheme

Establishment of the Scheme

The Defence Force Retirement Benefits Scheme (DFRB), established in 1948 by the *Defence Forces Retirement Benefits Act 1948* (the DFRB Act), was closed to new contributors from 30 September 1972. It continues to provide for the benefit entitlements of those members who ceased to be contributors before 1 October 1972 and for reversionary benefits to their spouses.

The Defence Force Retirement and Death Benefits Scheme (DFRDB) was established by the *Defence Force Retirement and Death Benefits Act 1973* (the DFRDB Act) and came into operation with effect from 1 October 1972. The Scheme provides occupational superannuation for Australian Defence Force (ADF) members who became contributors on or after 1 October 1972, and for members who were contributors to the DFRB Scheme on 30 September 1972 and were compulsorily transferred to the DFRDB Scheme on 1 October 1972.

With the commencement of the Military Superannuation and Benefits Scheme (MSBS) on 1 October 1991, the DFRDB Scheme was closed to all new entrants. Members of the DFRDB Scheme could choose to remain in the DFRDB Scheme or to transfer to the MSBS. All new ADF members since 30 September 1991 have automatically become members of the MSBS, with the exception of former ADF members who have been receiving a DFRDB benefit and on re-entry to the ADF choose to rejoin the DFRDB Scheme.

Description of the Scheme

The DFRDB Scheme is a fully defined unfunded superannuation scheme.

Members of the DFRDB Scheme contribute at the rate of 5.5 per cent of highest incremental salary for rank plus Service Allowance. Contributions are paid directly to the Consolidated Revenue Fund on a fortnightly basis.

Other than in the case of the separate 3 per cent Productivity and Superannuation Guarantee arrangements, members have no entitlement to an employer element if they resign before completing

twenty years' service. Unlike most other defined benefit superannuation schemes, age at retirement plays only an incidental part in calculating benefit entitlements; the key to the scheme is the length of the member's effective service. Members who retire from the ADF after twenty years of effective service (or after fifteen years service at retirement age for rank) are entitled to a pension, based on a percentage of their annual pay on retirement. Members who are retired from the ADF on invalidity grounds may also be entitled to a pension. Benefits are also payable to the surviving eligible spouse and children on the death of a member or pensioner.

Members with less than twenty years' service or who have not reached their compulsory retiring age for rank are entitled to a refund of contributions, a Superannuation Guarantee amount, a productivity benefit funded by the Department of Defence and, if applicable, an unfunded gratuity based on completed years of service.

The DFRDB Authority

The DFRDB Authority is responsible for the general administration of the DFRDB Act, subject to the direction of the Minister Assisting the Minister for Defence.

The Authority is provided with administrative support by the staff of ComSuper (Commonwealth Superannuation Administration), who assist the Commissioner for Superannuation in performing functions as Chairman of the DFRDB Authority. ComSuper is responsible for the day-to-day administration of the DFRDB Scheme, as well as other superannuation schemes for ADF and Commonwealth employees.

The administration of the MSBS is covered separately in the *Military Superannuation and Benefits Board of Trustees No. 1 Annual Report 2001–01*. Information about ComSuper's operations can be found in the *Commissioner for Superannuation Annual Report 2001–01*.

The DFRDB Authority is established by section 8 of the DFRDB Act. The Commissioner for Superannuation, Ms Christine Goode, is ex-officio Chairman of the Authority, in accordance with paragraph 8(2)(a) of the DFRDB Act.

There are four other Authority members, all of whom are appointed by the Minister. These members are appointed for two years, in accordance with subsections 8(3) and 8(5) of the Act, and may be reappointed at the end of their term.

Members of the Authority during 2000–01 were:

Ms Christine Goode	Chairman
Mr Phil Charley	Deputy Chairman
Captain Grant Ferguson	Nominee of the Chief of Navy
Colonel Geoffrey Beck	Nominee of the Chief of Army
Mr Andre Bobets	Nominee of the Chief of Air Force



The DFRDB Authority

Standing (L–R):

Mr Andre Bobets and Captain Grant Ferguson

Seated (L–R):

Ms Christine Goode and Mr Phil Charley

Absent:

Colonel Geoffrey Beck

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Governance

During the year the Authority continued to give particular attention to processes supporting decision-making, accountability and standards of service.

Administrative Agreement

In September 2000 the Authority entered into a revised agreement with ComSuper for the provision of administrative services, following an evaluation (see Annual Effectiveness Review on page 6).

The new agreement lifted the standards in a number of cases.

ComSuper reports regularly to the Authority against all service standards. Those reports form the basis of the performance data contained in this publication.

Delegations

The Authority delegates most of its powers to ComSuper staff to enable day-to-day administration.

Certain powers are retained by the Authority. These include reconsideration of decisions and the treatment of persons as if they had been medically discharged when they had been discharged on other grounds.

Status under the SIS legislation

The DFRDB is an Exempt Public Sector Scheme for the purposes of the *Superannuation Industry (Supervision) Act 1993* (SIS) and is therefore deemed to be a complying superannuation fund under the Income Tax Assessment Act and the Superannuation Guarantee (Administration) Act.

It is therefore not necessary for the DFRDB Authority to elect that the Scheme become a Regulated Superannuation Fund subject to the prudential requirements in the SIS legislation, although the Authority endeavours to comply with the spirit of the SIS legislation. The DFRDB is, however, subject to the Tax File Number and rollover/transfer

requirements in the SIS legislation that apply to Exempt Public Sector Superannuation Schemes.

Military Superannuation Communication Advisory Group (MSCAG)

The Authority uses the MSCAG to assist with, monitor and improve the effectiveness of communication with its members. The MSCAG is chaired by Brigadier Bob Brown. Members include representatives from the Department of Defence, the ADF and ComSuper. The MSCAG's role is to:

- ensure smooth liaison between each of the Scheme's stakeholders;
- provide advice on communications matters to the Authority;
- monitor the quality and effectiveness of the Authority's communication products;
- review existing communication products and methods; and
- monitor, review and make recommendations on the implementation of a superannuation communications strategy for the ADF.

The MSCAG met regularly throughout the year.

The communication focus throughout the year has been on the online benefits calculator, the i-Estimator (formerly known as the Ready Reckoner), the ComSuper Call Centre and the website.

dfdrdb Evaluation

Annual Effectiveness Review

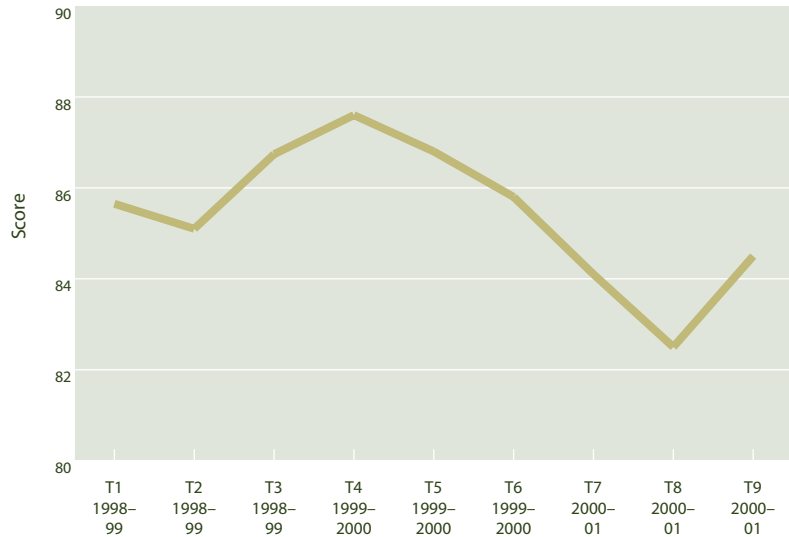
In September 2000 the Authority considered a report from ComSuper on the efficiency and effectiveness of the systems and procedures used in the administration of the DFRDB Scheme. The Authority considered that ComSuper had delivered good quality superannuation services, and was effective in terms of timeliness, cost and client satisfaction. It particularly noted improvements in the call centre, including a toll-free number, and processing of reconsideration cases. The Authority endorsed higher standards of service, and entered into a new Agreement on Services and Standards with ComSuper.

The performance standards referred to in this report are those defined in the Agreement.

Client feedback

During 2000–01 ComSuper continued to conduct its series of client satisfaction surveys with the assistance of the Canberra-based firm Orima Research. Clients who had recent contact were surveyed at three separate times throughout the year. On a point scale of 1–10 the quality of services surveyed was consistently rated highly.

The Quality Service Index (QSI) for military clients, introduced to measure the survey results and to enable comparison between survey periods, currently ranks in the region of an 84% satisfaction level, with an average score over the past nine trimesters of 85.4%. Chart 1 shows ComSuper's QSI scores for the military schemes in each of the nine survey periods since data have been collected on a trimester basis.

Chart 1: Quality Service Index (QSI) scores, 1998–2001

The survey results are fed into ComSuper’s continuous improvement process. Where necessary, action plans are derived and reported against. Many changes have been made to ComSuper’s procedures as a result of the survey feedback.

The Authority is pleased with the positive feedback obtained from clients on the quality of services received.

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Contributors

Account maintenance

Maintenance of DFRDB contributor accounts is a significant function undertaken by ComSuper in conjunction with the Department of Defence. The process of collecting and applying data to contributor accounts is highly automated. Variations to contributions information are routinely processed within days of the relevant payday. The quality of data processed is generally high and the error rate low.

Accordingly, the Administrative Agreement between the Authority and ComSuper sets out a service standard, as described below, that is aimed at maintaining this situation. This contrasts with other sections of this report which deal with more labour intensive activities involving direct client contact, such as member communications and payment of benefits, where specific service standards are usually established.

SERVICE	
ComSuper undertakes to:	
<ul style="list-style-type: none"> • maintain records of scheme contributors to allow the accurate and timely payment of benefits to members and accurate and timely publication of member statements; • ensure that adequate systems, procedures and controls are in place to meet the administration and reporting requirements of the Act and associated legislation; and • at the direction of the Authority, arrange for an independent audit of those systems and controls to be undertaken from time to time. 	
STANDARD	OUTCOMES
ComSuper will maintain appropriate internal control processes to ensure that systems fulfil the functions for delivery of these services.	All processes were performed without disruption.

Contributions received

Contributions received during 2000–01 totalled \$35 510 000, a 7.9 per cent fall from 1999–2000, consistent with the declining contributor numbers.

Contributors

As the Scheme is no longer open to new members, the number of contributors has continued to decline, falling to 11 685 as at 30 June 2001. Chart 2 shows the number of contributors during 2000–01. 45 people who were receiving a DFRDB benefit re-entered the Defence Force during the year and elected to contribute to the Scheme. Table 1 shows the number of DFRDB contributors since 1996–97, and Chart 3 shows the age profile of DFRDB contributors at 30 June 2001.

Chart 2: DFRDB contributor membership, 2000–01

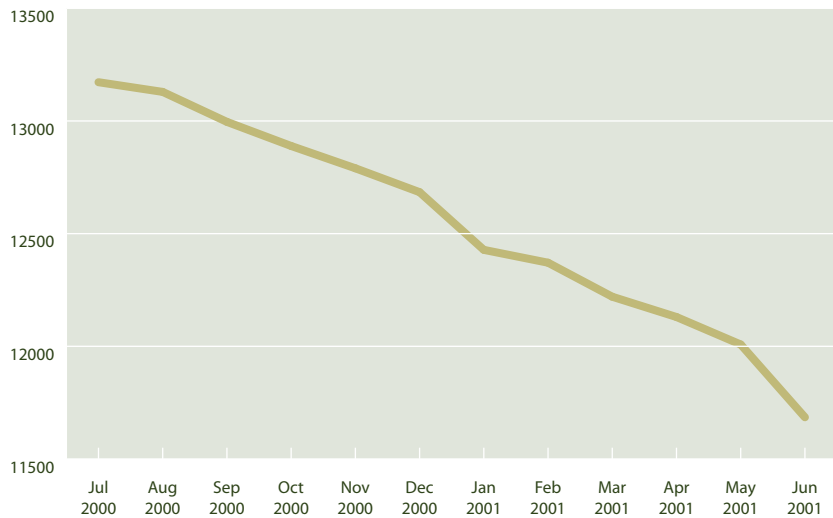
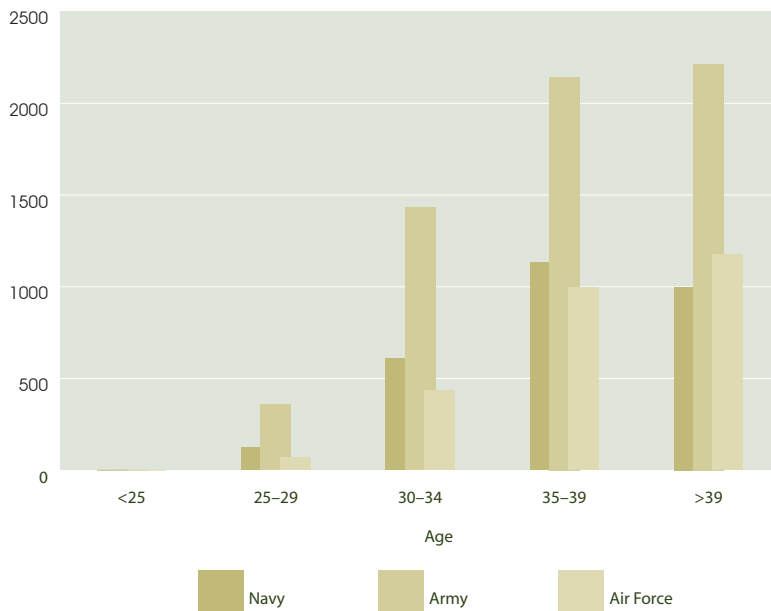


Table 1: DFRDB contributors since 1996–97

	1996–97	1997–98	1998–99	1999–2000	2000–01
Navy					
Male	4 231	3 806	3 419	3 042	2 731
Female	220	195	167	154	132
Subtotal	4 451	4 001	3 586	3 196	2 863
Army					
Male	9 178	8 300	7 333	6 568	5 856
Female	461	421	372	335	291
Subtotal	9 639	8 721	7 705	6 903	6 147
Air Force					
Male	4 433	3 973	3 543	3 102	2 561
Female	209	185	158	140	114
Subtotal	4 642	4 158	3 701	3 242	2 675
All Services					
Male	17 842	16 079	14 295	12 712	11 148
Female	890	801	697	629	537
Total	18 732	16 880	14 992	13 341	11 685

Chart 3: Age profile of contributors at 30 June 2001, by Service



System changes

Only minor refinements were needed on the DFRDB system during 2000-01. Work began to replace all systems for military superannuation administration and pension management with COTS software (the Capital Product, supplied by Synchronised Software) which will enable a strategic move off the mainframe.

The Department of Defence is also redeveloping its personnel and pay systems which, together with ComSuper's implementation of new software, will improve the collection of contributions and member data.

Surcharge

The *Superannuation Contributions Tax (Assessment and Collection) Act 1997*, more commonly referred to as 'the surcharge', requires ComSuper to report surchargeable contributions for all DFRDB members to the Australian Taxation Office (ATO), on an annual basis. The intention of the legislation is to apply a tax on employer financed contributions, specifically targeted at higher income earners, imposing a surcharge of up to 15 per cent on surchargeable contributions, provided the member's adjusted taxable income is greater than the surcharge threshold.

The DFRDB Scheme is classed as an unfunded defined benefit scheme for the purposes of the surcharge legislation. In order to have a basis on which to calculate the surcharge contributions, the services of the Australian Government Actuary were employed to develop Notional Surchargeable Contributions Factors for calculating surchargeable contributions. The factors are periodically updated by the Actuary. Those applying to the period 1 July 2000 to 30 June 2003 were noted by the Authority in March 2001.

On receipt of surchargeable contributions information from ComSuper, the ATO matches that data with the member's taxable income. If this exceeds the surcharge threshold, the ATO determines the amount of surcharge debt applicable to the member and reports this data to the member and the superannuation provider.

A DFRDB member may choose to acquit the surcharge debt immediately, pay it off in instalments, or have it deducted from his or her benefit on exit.

In October 2000 ComSuper reported surchargeable contributions for 1999–2000. In February and May 2001 the ATO reported surcharge debts to members and ComSuper for that year.

Member communication

Communication with members occurs through the distribution channels of the Department of Defence as well as direct client contact with ComSuper. The following table summarises performance against relevant service standards for the whole of the financial year. The Authority aims to provide members with comprehensive information about all aspects of the DFRDB Scheme.

SERVICE													
<p>ComSuper will, at the direction of the Authority, undertake a communications program aimed at improving members' knowledge and understanding of the Scheme so that they are in a position to make informed decisions at times when these need to be made. This will include a recognition of the particular needs of members.</p> <p>ComSuper will also provide a range of communications to members on benefit entitlements and queries relating to the general administration of the Scheme in writing, over the phone and by electronic means. ComSuper will continuously seek ways to improve these communications.</p>													
STANDARD	OUTCOMES												
<p>Personal counselling will be provided in Canberra immediately if urgent, otherwise within 5 working days.</p> <p>Members will be advised within 20 working days of cessation of contributions on reaching 40 years' service.</p>	<p>This standard was met for 2000–01.</p> <p>This standard was met for 2000–01.</p>												
<table border="1"> <thead> <tr> <th>Written inquiries/ requests for benefit estimates</th> <th>Proportion of requests</th> </tr> </thead> <tbody> <tr> <td>Respond within 10 working days</td> <td>85%</td> </tr> <tr> <td>Respond within 15 working days</td> <td>100%</td> </tr> </tbody> </table>	Written inquiries/ requests for benefit estimates	Proportion of requests	Respond within 10 working days	85%	Respond within 15 working days	100%	<table border="1"> <thead> <tr> <th>Written inquiries/ requests for benefit estimates</th> <th>Proportion of requests</th> </tr> </thead> <tbody> <tr> <td>Respond within 10 working days</td> <td>100%</td> </tr> <tr> <td>Respond within 15 working days</td> <td>100%</td> </tr> </tbody> </table>	Written inquiries/ requests for benefit estimates	Proportion of requests	Respond within 10 working days	100%	Respond within 15 working days	100%
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STANDARD		OUTCOMES	
Telephone queries	Proportion of calls	Telephone queries	Proportion of calls
Dropout rate	less than 5%	Dropout rate	1.6%
Response rate	On 85% of days calls to be answered within 30 seconds	Response rate	Calls were answered within 30 seconds on 65% of days
	Time		Time
Average wait time	less than 45 seconds	Average wait time	27 seconds
E-mail queries	Proportion of messages	E-mail queries	Proportion of messages
Response rate	100% answered within 24 hours	Response rate	98% answered within 24 hours; 100% answered within 48 hours

Performance against standards was very good over the year, standards not being met only during periods of sharp peaks in activity.

General communication is by means of correspondence, service newspapers, newsletters, the Internet, individual counselling and presentations given at Defence resettlement seminars and other seminars at ADF establishments. Information about the DFRDB Scheme is provided in response to requests from Defence establishments and individuals. Information is also provided through the issue of publications on various aspects of the Scheme. Page 38 of this report contains a list of currently available publications.

Counselling and information activities

Individual advice to members is provided through telephone advice, written responses to queries, e-mail advice, addressing members at resettlement seminars and talking to members and administrative staff at various bases and units throughout Australia.

Overall, the workload increased compared with last year. With the advent of the ComSuper Call Centre toll-free telephone number and the continued development of the Internet site there has been a

significant increase in the general information available to members. Also, greater computer awareness among members has seen an increasing number of e-mail inquiries received.

The most popular form of request remains the telephone, with an average of 1 015 telephone calls recorded per week compared with 900 last year. The Interactive Voice Response (IVR) telephone service recorded receipt of 52 754 calls from members (MSBS and DFRDB), which was up significantly on last year's figure of 46 840.

During the year, ComSuper staff issued 4 730 retirement advice letters to military members and provided personal counselling for 1 255 military members. Presentations were given at 23 resettlement seminars, attended by 2 111 people.

Member statements

The Authority aims to distribute annual member statements well ahead of the SIS required deadline of 31 December. The 1999–2000 member statements were distributed in September 2000. Delivery times were consistent with the improvements achieved in 1999.

The statements provide DFRDB contributors with equity figures and withdrawal benefits at the beginning and end of the financial year. Contributors also receive an *About Your Statement* leaflet in their statement kit.

The Authority aims to issue replacement member statements within 15 days of receiving advice that a member's statement is missing or incorrect. In 2000–01 the average time to issue replacement statements was 14 days.

Website development

Overall website activity again doubled in 2000–01, although this trend is less evident for the military than has been the experience with the civilian schemes. The increase in activity is generally attributable to more people using the website.

In 2000–01 the Military i-Estimator products were released and these were favourably received by members. At year's end these products continued to attract member attention, which augurs well for future online services.

Extensive research into call centre activity was conducted during the year for the purposes of planning future website developments.

As a result of that research website development work is presently focused on revamping the process of dealing with frequently asked questions on the website and developing a series of simple fact sheets.

Considerable efforts were also directed to redesigning and simplifying the benefit application forms with a view to making these available for online processing purposes following the rollout of the Capital administration system.

Benefit payments

The following table lists the services and performance standards relevant to the payment of benefits upon a member ceasing to be a contributor to the DFRDB Scheme. This includes all benefit types such as resignation, retirement, invalidity and death in service. It does not include benefits resulting from the death of DFRDB pensioner members (which are discussed in the section of this report dealing with pensioners).

SERVICE	
ComSuper will process all applications for benefits in a timely manner and in accordance with the Act.	

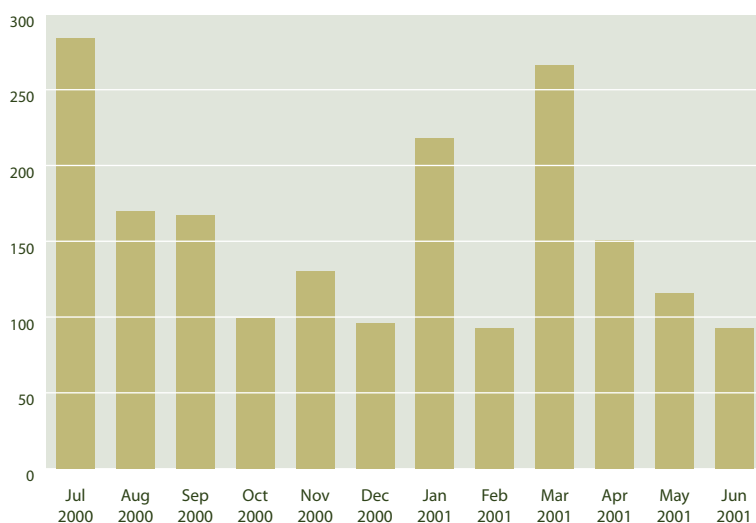
STANDARD		OUTCOMES	
Processing time	Proportion processed	Processing time	Proportion processed
Within 5 working days	85%	Within 5 working days	92.5%
Within 15 working days*	95%	Within 15 working days*	99.9%
Average processing time	less than 4.5 working days	Average processing time	2.7 working days

*Note: The time for processing commences from the receipt of all prescribed information (e.g. confirmation of discharge, medical classification or correctly completed application forms).

The standards for the processing of military schemes benefit applications were monitored by the Authority throughout the year. They were met in all months of the year. Chart 4 shows the number of DFRDB benefit applications processed during 2000–01.

The average time taken to process a benefit during 2000–01 was 2.7 days, compared with 3.0 days in 1999–2000 and 4.7 days in 1998–99.

Chart 4: DFRDB benefit applications processed, 2000–01



A comparison of the dollar value of benefits paid in 2000–01 with the previous four financial years is set out in Table 2.

Table 2: Benefits paid, 1996–97 to 2000–01

Benefit type	1996–97 (\$'000)	1997–98 (\$'000)	1998–99 (\$'000)	1999–2000 (\$'000)	2000–01 (\$'000)
Pension payments	772 949	798 643	825 676	889 949	899 125
Lump-sum payments and transfer values	584	858	1 032	306	138
Refunds of contributions	6 115	5 087	6 482	4 330	3 137
Commutation payments	115 125	148 648	153 913	144 604	181 824
Total benefits paid	894 773	953 236	987 103	1 039 189	1 084 224

Gratuities

Certain members who leave the Defence Force without an entitlement to a pension are entitled to a refund of their contributions plus a gratuity. Gratuities totalling \$134 546 were paid to members who exited in 2000–01.

Commutation

Members retiring from the Defence Force may commute (i.e., exchange) part of their retirement pension for a lump sum. During 2000–01, retiring members could receive a maximum commutation lump sum of up to 4.90 times their retirement pay (up from 4.85 in 1999–2000). During the year, 1 702 members elected to commute part of their pension: initial commutation payments totalled \$181 824 464.

Persons entitled to a spouse's benefit may also elect to commute part of their pension. There were 5 such elections during 2000–01: payments in these cases totalled \$535 356.

'No-detriment' provisions

The 'no-detriment' provisions contained in section 25 of the DFRDB Act ensure that eligible DFRB Scheme Officers who transferred to the DFRDB Scheme do not receive retirement benefits less than those for which they were contributing immediately before their transfer.

During the year, 3 elections were accepted under the 'no-detriment' provisions. At 30 June 2001, 1 025 members were receiving retirement pay under these provisions. Reversionary benefits being paid under the 'no-detriment' provisions had increased to 154 at 30 June 2001.

Re-entered recipients

At 30 June 2001, 355 people were receiving increased benefits resulting from two or more periods of service. Reversionary benefits resulting from two or more periods of service were payable in another 66 cases.

Preservation of rights

Under certain circumstances, members who leave the Scheme without a pension entitlement can elect not to receive a refund of their contributions. Instead, they may defer their benefit or transfer it to another eligible superannuation scheme.

Members who elect to defer their benefit must enter full-time public sector employment within ninety days of their exit date. When their combined Defence Force and government service reaches twenty years, they become entitled to a DFRDB pension. Thirty-six members elected to defer their entitlements in the Scheme in 2000–01. Thirty deferred benefits became payable to members with twenty years' combined ADF and government service.

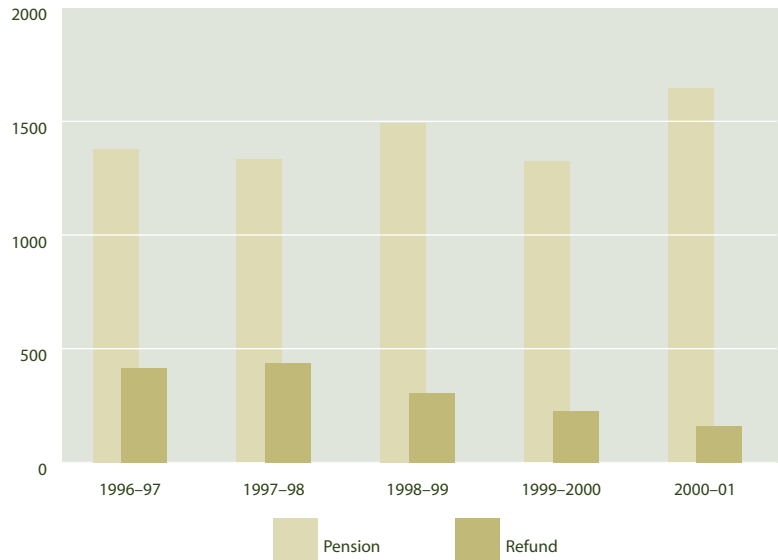
Members who elect to transfer their benefit must do so to a superannuation scheme that has been declared as eligible by the Minister for Finance and Administration. 'Eligible' superannuation schemes are generally linked to government employment. Once a benefit is transferred to another scheme, the member benefits are determined by that scheme.

Exits

On ceasing employment with the ADF, members receive either a pension or a refund of the contributions they paid into the Scheme. Those who leave the ADF after twenty years' effective service, or after fifteen years at retiring age for rank, are entitled to a pension, as are people who retire on invalidity grounds and who receive an A or B classification (see page 20).

Eligible dependants of a member who dies also receive a pension. All other members receive a refund and gratuity, if applicable. All members are entitled to a productivity benefit funded by the Department of Defence.

In 2000–01, 1 804 members left the Scheme. Of these, 1 645 left with a pension entitlement. The remainder, 159, left with a refund entitlement. Three hundred and twenty-one more members left the Scheme with a pension entitlement than in 1999–2000. There were 68 less members who left with a refund entitlement than in 1999–2000. Chart 5 compares the number of exits with and without a pension entitlement since 1996–97.

Chart 5: Annual exits since 1996–97, showing pensions and refunds

Invalidity payments (new grants)

Invalidity decisions are taken either by the Authority’s Committee of Alternates (C of A) or, in straightforward cases, under delegation held by ComSuper.

SERVICE

Decisions are taken either by the Authority’s Committee of Alternates or, in straightforward cases, under delegation held by ComSuper. In determining invalidity benefits ComSuper ensures that due process is followed, that claims are processed expeditiously, that legislative requirements are met and that guidelines issued by the Authority are followed.

STANDARD	OUTCOMES
<ul style="list-style-type: none"> Submit cases to delegate or Committee of Alternates within ten working days of receipt of supporting documentation and any additional information that may be required (supporting documentation includes medical documentation, the member's employment experience, advice of conditions causing retirement, confirmation of date and mode of exit, and the member's application). Members will be advised of decisions taken within three working days. 	<p>Standard met in 100% of cases processed in 2000–01.</p> <p>Standard met in 100% of cases processed in 2000–01.</p>

Invalidity classification

A member of the Scheme who is retired on the ground of invalidity (that is, a physical or mental incapacity to perform his or her duties) is eligible for invalidity benefits. The rate of invalidity benefit depends on the member's level of incapacity to undertake appropriate civilian employment at that time.

The determination of benefits payable to members who retired from the ADF as medically unfit for further service is a major function of the Scheme's administration. The Authority takes into account a member's employment capacity and medical condition, to establish the appropriate invalidity classification. The rate of benefit payable to a recipient member may be altered if the pensioner's level of incapacity to undertake civilian employment deteriorates or improves. This process is discussed further in the section of this report dealing with pensioners.

On-site medical assessments

ComSuper contracts the services of Health Services Australia doctors to assess a member's incapacity, having regard to the medical history provided by the Department of Defence. These arrangements allow faster processing and consistency in assessments.

Effect of fitness standards

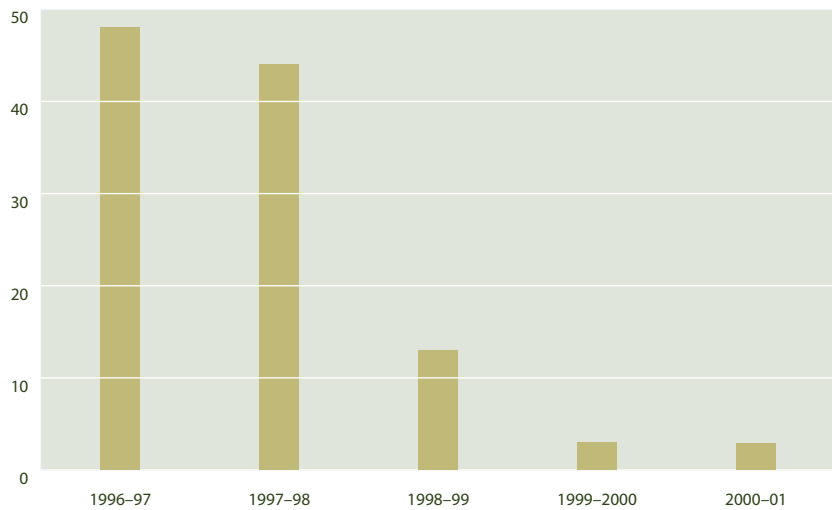
There has been a further reduction in medical discharges in this financial year, although the number is still high compared with the five-year average. This is a result of the continued effect of new medical and deployment standards. One hundred and fifteen cases

were determined this year, some of which related to discharges in the previous financial year. It is expected that the number of discharges for the next twelve months will remain higher than the five-year average.

Invalidity decision timeframe

Invalidity classifications took an average of 2.9 days to finalise during 2000–01. This is a further slight improvement from 1999–2000, when the average time taken was 3 days. ComSuper aims to maintain this timeliness in the coming year. Chart 6 shows the average time taken to determine new invalidity cases in the past five financial years.

Chart 6: Average number of days taken to determine new invalidity cases, 1996–97 to 2000–01



dfdrdb

Pensioners

Account maintenance

SERVICE	
<p>ComSuper will maintain appropriate records and documentation of all persons eligible to receive a pension under the Act. This includes the setting up of a new record when a pensioner commences, processing amendments to personal details, processing altered payment arrangements, processing cessations on death, where applicable commencing reversionary benefits following death, processing variations to child/student pensions, processing variations to invalidity pensions following reclassification and initiating recovery of overpaid pension when advice of death is delayed.</p>	
STANDARD	OUTCOMES
<p>Make changes to pension payment arrangements within the first available fortnightly pay cycle following receipt of a request.</p> <p>ComSuper will maintain appropriate internal control procedures to ensure that systems fulfil the functions for delivery of these services.</p>	<p>Pensions were increased in line with the March-to-March CPI figure by payday 12 July 2001.</p>

Pensions in force at 30 June 2001

At 30 June 2001, 54 268 people were receiving pensions under DFRDB and DFRB legislation. This represents an overall increase of 1 256 from 30 June 2000. Table 3 shows pensions in force by type and Scheme as at 30 June 2001.

Table 3: Pensions in force by type and Scheme at 30 June 2001

	DFRB	DFRDB	Total
Retirement	2 038	41 681	43 719
Invalidity	943	2 166	3 109
Reversionary			
– spouses	2 848	4 090	6 938
– children	13	489	502
Total pensions	5 842	48 426	54 268

Pension payments

SERVICE

ComSuper will process all applications for reversionary benefits following the death of a pensioner, that is, eligible spouses, children and orphan pensions, in a timely manner and in accordance with relevant legislation.

STANDARD

Reversionary pensions will be commenced on the next available payday following receipt of application subject to eligibility criteria being clearly met and subject to there being no counter-claims.

OUTCOMES

Although performance against this standard is not specifically measured, payment of reversionary pensions is given the highest priority in processing cycles.

Spouses' benefits

At 30 June 2001, 6 938 spouses were receiving pensions under the provisions of the DFRB and DFRDB Acts, 345 of which commenced in 2000–01.

Children's and orphans' benefits

At 30 June 2001, 502 children and orphans were receiving pensions under the provisions of the DFRB and DFRDB Acts. During the year, 102 new children's and orphans' pensions commenced.

Invalidity review

SERVICE	
ComSuper may from time to time review the classification of invalidity pensioners either of its own volition or at the request of pensioners.	
STANDARD	OUTCOMES
<p>Reviews will be completed within twenty working days of receipt of all relevant information.</p> <p>Members will be advised of decisions taken within three working days.</p>	<p>ComSuper is completing reviews, or submitting them to committees, within twenty working days of receipt of all information.</p> <p>In 100% of cases the advice of the decision taken is dispatched to the member within three working days.</p>

The classifications of all members receiving an invalidity pension are reviewed by the Authority at regular intervals. The period after which a case is reviewed is not fixed but is determined at the initial classification or the last review, and depends on each case's circumstances. Members may also request a review but must provide evidence that there has been a change in their condition before the review will be undertaken.

In 2000–01, 457 invalidity cases were reviewed, compared with 668 in 1999–2000 and 498 in 1998–99. Of the 122 classifications that proceeded to a full medical review, 81 were changed: 34 of these were increased and 47 were reduced. Fifty-nine of these reviews were requested by the member.

Pensioner communications

SERVICE

ComSuper will, at the direction of the Authority, provide a range of communications to pensioners to assist their understanding of the Scheme, to facilitate inquiries and to facilitate changes to personal or payment details.

In response to guidance from the Authority, ComSuper will also seek to improve the quality and effectiveness of its communications with pensioners in part through regular reviews and in part through surveys of clients.

STANDARD

Members who request a variation to their method of payment or who advise other changes will be sent an acknowledgment when the change has been effected.

Telephone inquiries will generally be dealt with at the time of the call.

Average telephone wait time	less than 30 seconds
Dropout rate	less than 5%
Response rate	On 85% of days calls to be answered within 30 seconds

All e-mail inquiries are to be answered within 24 hours.

Written inquiries will be responded to within five working days (however, if the inquiry is complex and a response within that time is not possible, the member will be told of that within two days).

OUTCOMES

The standard was met in 2000–01. Most variations are processed immediately on receipt of correspondence or a telephone request.

Average telephone wait time	20 seconds
Dropout rate	1.2%
Response rate	Calls were answered within 30 seconds on 86% of days

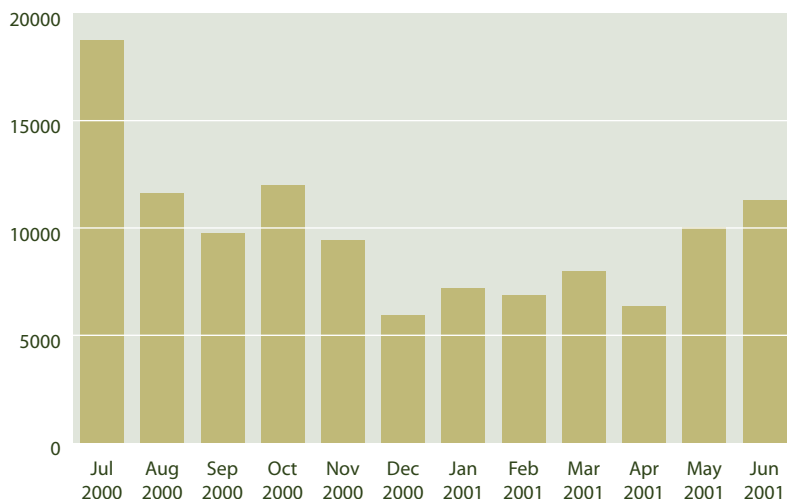
98% answered within 24 hours;
100% answered within 48 hours

Counselling and inquiry service

Staff of ComSuper’s Retired Member Information Service assist pensioners to understand their superannuation entitlements and maintain their pension accounts in accordance with the service standards agreed between ComSuper and the Authority.

Advisory officers can be contacted by telephone, letter, facsimile or e-mail. Pensioners with hearing impairments can use a special teletypewriter (TTY) facility. Advisory officers are available for personal counselling at ComSuper’s office. Pensioners who use the Internet can get information from the ComSuper website. Chart 7 shows the number of telephone inquiries received by the Retired Member Call Centre during 2000–01.

Chart 7: Telephone calls received by the Retired Member Call Centre, 2000–01



Note: Telephone calls include those made by Commonwealth and military retired members. The increased number received in July 2000 followed the mailing of the annual pension advice letters and payment summaries.

Pension increase

SERVICE			
ComSuper undertakes to process the annual pension increase in accordance with the legislation.			
STANDARD	OUTCOMES		
<p>Process the annual pension increase on the first payday on or after 1 July each year.</p> <table border="1"> <tr> <td>Annual pension advices and group certificates</td> <td>to be sent out before the first pension payday in July each year</td> </tr> </table>	Annual pension advices and group certificates	to be sent out before the first pension payday in July each year	<p>This standard was met for 2000–01.</p> <p>Pension advice letters were dispatched before the first pension payday in July 2001.</p>
Annual pension advices and group certificates	to be sent out before the first pension payday in July each year		

Each year, pensions that are subject to adjustment are increased in line with upwards movements in the Consumer Price Index (CPI). The increase is paid on the first pension payday in July. The DFRDB legislation provides for an increase to pensions on the first payday in July if the CPI number for the preceding 31 March exceeds the previous highest March CPI number.

In 2000–01, the Australian Bureau of Statistics announced a CPI change of 6 per cent for the March to March quarter. DFRDB pensions that were in force for the full financial year were increased by that amount.

Pensioners were advised of the adjustment to their pensions in the annual pension advice letter that is sent to them each year, together with their income tax group certificate.

dfldb Dispute resolution

Avenues of review

DFRDB members can seek reconsideration of decisions made under the DFRDB Act by delegates and authorised ComSuper officers. In such cases decisions are reviewed by the Authority itself. A decision of the Authority may subsequently be appealed to the Administrative Appeals Tribunal (AAT) from which an appeal may also be made to the Federal Court on a point of law. Members also have rights of review under the *Administrative Decisions (Judicial Review) Act 1977*.

Internal reconsideration

SERVICE
ComSuper undertakes to investigate requests for reconsideration in a thorough, objective and cost effective manner in accordance with any guidelines issued by the Authority.
ComSuper also undertakes to do all things necessary to facilitate the expeditious processing of negligence claims against the Authority.

STANDARD		OUTCOMES	
ComSuper will process:			
Reconsideration requests	Proportion completed	Received	69
Within 6 months	40%	Processed	83
Within 9 months	65%	Completed within 6 months	40%
Within 12 months	95%	Completed within 9 months	67%
Average time to process requests	9 months	Completed within 12 months	81%
Submissions to the Authority will be prepared within thirty days of receipt of supporting documentation.		Average time to process requests 10 months	
Claims against the Authority will be handled objectively and expeditiously.		As evidenced in the table above, not all standards for DFRDB cases were achieved but considerable progress was made during the year towards meeting these targets.	

A person affected by a decision of the Authority or a delegate may request the Authority to reconsider that decision. Almost any action taken in the administration of the DFRB and DFRDB Acts can be the subject of a request for reconsideration. Decisions on reconsideration are not delegated but are taken by the Authority itself.

The Authority must confirm or vary the decision and inform the person of the result, in writing. The person is given a copy of the record of the reconsidered decision, which refers to the evidence that was before the Authority, contains the reasons for the decision and also advises about appeal rights to the AAT.

Sixty-nine requests for reconsideration were received from DFRB and DFRDB members during the year, an increase of 13 over those received in the previous year, adding to the 51 cases carried over from 1999–2000. Of the 83 cases finalised during the year, the Authority confirmed 41 cases on reconsideration, while 30 cases were varied in favour of the applicants. Another 12 lapsed because the applicant failed to pursue the matter. Thirty-seven requests remained under investigation on 30 June 2001. None of these cases had been on hand for more than twelve months.

Most requests for reconsideration (some 49 per cent in 2000–01) concern the amount of invalidity benefit payable, either on discharge

or at subsequent reviews. The amount of benefit varies depending upon the former member’s assessed level of physical or mental incapacity to undertake suitable civilian employment. Other typical matters included determination of grounds for retirement, recognition of prior service, widows’ entitlements, restoration of widows’ pension and extensions of time to reconsider previous decisions.

ComSuper’s Schemes Communication and Review Group undertakes the preliminary investigation of cases with the reconsideration process normally involving the assembly of information additional to that available to the delegate who made the primary decision. The process can be protracted where delays occur in obtaining information, such as in medical cases where specialist opinion is required.

External appeals

The DFRDB Act provides that applications may be made to the AAT for review of reconsidered decisions made by the Authority. If the Authority’s decision is adverse to the applicant, information about the right to apply for review by the AAT is included in the advice of the decision. Applications to the AAT come under the procedures and practices of that body, as provided for in the *Administrative Appeals Tribunal Act 1975* and the practice directions issued by the AAT President. A party to a proceeding before the AAT may appeal to the Federal Court on a question of law arising from the decision of the AAT.

SERVICE	
ComSuper undertakes to do all things necessary to facilitate the expeditious processing of matters that go to the Superannuation Complaints Tribunal, the Federal Court and other jurisdictions such as the Human Rights and Equal Opportunity Commission.	
STANDARD	OUTCOMES
Process all external cases both objectively and expeditiously.	See Table 4 below.

Table 4: Outcomes of external appeals, 1996–97 to 2000–01

	1996–97	1997–98	1998–99	1999–2000	2000–01
Decisions affirmed	4	4	4	3	4
Decisions set aside/ conceded	3	2	3	4	1
Applications dismissed	5	6	4	4	1
Applications withdrawn	–	–	–	–	2
Extension of time denied	1	–	–	–	–
Total	13	12	11	17	11

Administrative Appeals Tribunal

During 2000–01, twenty applications for review were lodged with the AAT in addition to the eleven that were carried over from the previous year. Of the eleven applications resolved during the year, the Authority's decisions in three cases were affirmed, one decision was varied in favour of the Authority, and one was set aside. The Authority conceded three cases on the basis of new evidence. Two applications were withdrawn by the applicants and one other case was dismissed for lack of jurisdiction. Nineteen AAT cases were outstanding as at 30 June 2001.

Federal Court of Australia

Under section 44 of the AAT Act, a party to a proceeding before the AAT may appeal to the Federal Court of Australia on a question of law arising from any decision of the AAT in that proceeding. There were no appeals by the Authority to the Federal Court during 2000–01. Three cases were appealed by applicants to the Federal Court: one decision of a single judge was appealed by the applicant to the Full Bench of the Federal Court, and two decisions of the AAT were appealed by the applicants to the Court in the same period.

Significant cases

During 2000–01, the Full Federal Court dismissed an applicant's appeal against a decision of a single judge of the Court that set aside an AAT decision finding the applicant to be an 'eligible member of the Defence Force' within the meaning of the DFRDB Act. In *Chapman and Defence Force Retirement and Death Benefits Authority* [2001] FCA 594, the Full Court held that upon his transfer from the Australian Army Reserve to the Australian Regular Army in December 1996, the applicant became a member of the Defence Force after 1 October

1991 and was therefore ineligible to rejoin the DFRDB Scheme. Both the single judge and the Full Bench of the Court accepted the Authority’s submission that the effect of section 5A(1) of the DFRDB Act is to close the DFRDB scheme and to exclude eligibility for any person commencing continuous full-time service after 1 October 1991.

Judicial review

The *Administrative Decisions (Judicial Review) Act 1977* [the AD (JR) Act] provides an alternative external review mechanism. The AD (JR) Act entitles a person aggrieved by an administrative decision taken under Commonwealth legislation to seek, on specified grounds, an order for review of the decision in the Federal Court. Section 13 of that Act provides that an aggrieved person may, without first applying to the Federal Court, ask that the decision-maker furnish a statement in writing, setting out the findings on material questions of fact. The statement must refer to the evidence or other material on which those findings were based, and give the reasons for the decision.

There were no orders for review and no requests for a statement of reasons under the AD (JR) Act in respect of decisions made under either the DFRB or DFRDB Acts during 2000–01.

Complaints

SERVICE
ComSuper will maintain systems for dealing with complaints and representations made by Parliamentarians and the Ombudsman.
ComSuper will also maintain systems for dealing with requests under the Freedom of Information Act.
Systems will also be maintained to monitor inquiries directed to the Authority.

STANDARD	OUTCOMES
Parliamentarian and Ombudsman representations and Freedom of Information requests will be dealt with within 30 calendar days. A substantive response to 80 per cent of complaints (excluding requests for internal review) will be provided within 15 working days.	The standard for processing Parliamentarian and Ombudsman representations and Freedom of Information requests was achieved in 100 per cent of cases. The standard achieved for processing complaints was 70 per cent within 15 working days.

ComSuper has established procedures for dealing with member complaints. The aim is to provide a substantive response to 80 per cent of complaints within 15 working days.

In 2000–01, 11 complaints and 11 ministerials were received by ComSuper. In addition, ministerials were received and responded to within the Department of Defence without referral to ComSuper. There were 76 relating to the DFRDB Scheme (including two specifically about DFRB benefits), while 27 related to both the DFRDB Scheme and the MSBS.

The subject of complaints were varied, and pointed to no particular problem issues.

Table 5 shows the time taken to respond to a complaint or ministerial/ombudsman inquiry.

Table 5: Complaints and ministerials processing times, 2000–01

	Less than 15 days		15–30 days		30–90 days		Greater than 90 days	
	#	%	#	%	#	%	#	%
Complaints	7	70	2	20	1	10	–	–
Ministerials	6	60	4	40	1	10	–	–

Freedom of information

All requests for documents and amendments to personal records are handled by ComSuper’s Corporate Governance and Parliamentary Liaison Unit.

Facilities for access

Facilities for viewing documents are provided only at ComSuper’s office in Canberra. Documents may be inspected at ComSuper and copies, for which there may be a charge, can be obtained by lodging a formal FOI request with ComSuper’s Corporate Governance and Parliamentary Liaison Unit at the address given on page 34. Information about facilities for access by people with disabilities can also be obtained by contacting the Corporate Governance and Parliamentary Liaison Unit.

Requests

During the year, the Authority received 69 requests for access to documents, compared with 45 requests in 1999–2000. No requests were brought forward from last year and none were outstanding at 30 June 2001. All the requests received were for documents of a personal nature, most being requests for access to medical reports.

Disclosure

Of the requests received, all were granted in full. The average time taken to finalise a request was 1.2 days, compared with 5.2 days in 1999–2000.

No requests were received regarding section 48 of the *Freedom of Information Act 1982* (the FOI Act) for amendment to personal records or section 54 of the FOI Act for internal review or review by the Ombudsman's Office. No decisions were taken on appeal to the AAT under Part VI of the FOI Act.

Fees, charges and costs

No application fees were collected in respect of requests for access. Application fees totalling \$330 were waived pursuant to section 30A of the FOI Act.

No administrative costs relating to access to documents were recouped during the year.

Inquiries

Inquiries relating to the documentary disclosure of information about the personal affairs of clients of the agency under the provisions of the Freedom of Information Act should be directed to:

Corporate Governance and Parliamentary Liaison Unit
ComSuper
PO Box 22
Belconnen, ACT 2616

Facsimile: (02) 6252 6509
Telephone: (02) 6252 7514
TTY: (02) 6253 2911
Internet: www.comsuper.gov.au

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Accounting services

SERVICE	
<p>ComSuper will provide the Authority with the opportunity to participate in the development of ComSuper's annual internal audit program to identify areas of mutual interest and to examine reports of specific internal audits where there is a coincidence of interest.</p> <p>ComSuper will maintain comprehensive and up to date delegations and authorisations.</p>	
STANDARD	OUTCOMES
<p>ComSuper undertakes to deliver the Authority's annual report within the statutory time limits.</p>	<p>The <i>Defence Force Retirement and Death Benefits Authority Annual Report 1999–2000</i> was presented to the Senate on 31 October 2000.</p> <p>The Senate Foreign Affairs, Defence and Trade Legislation Committee noted, in its <i>Scrutiny of Annual Reports No. 1 of 2001</i>, that the Authority's 1999-2000 report was a well-written and easy-to-use report which informed the reader of the financial and statistics gathering operations of the organisation.</p>

Financial resources

Financial resources for the payment of pensions and lump-sum benefits are provided from the DFRB and DFRDB special appropriation, which is held by the Department of Defence. Contributions by members of the DFRDB Scheme are paid into revenue item 'Superannuation (DFRDB)—payments by members received', which is also held by the Department of Defence.

Debtors

At 30 June 2001, \$871 601.60 was due to the Authority in benefits overpaid under the DFRDB and DFRB Schemes. The most common cause of overpayment is late notification to the Authority that the recipient is deceased and therefore is no longer entitled to receive the benefit. The bulk of these involve deceased estates.

Administrative processes are in place to ensure that there is minimal chance of overpayment. Most overpaid benefits are recovered by the Authority. During the year debts totalling \$27 591.68 were written off (in 36 cases) and one debt of \$13 663.66 was waived.



DFRDB in brief

Contributors	30 June 2000	30 June 2001	Increase (Decrease)
Males	12 712	11 148	(1 564)
Females	629	537	(92)
Total	13 341	11 685	(1 656)
Pensions in force			
Age retirement	42 655	43 719	1 064
Invalidity	3 047	3 109	62
Dependants	7 310	7 440	130
Total	53 012	54 268	1 256
Exits			
Retirement	1 247	1 550	303
Resignation	190	158	(32)
Invalidity	107	88	(19)
Death	7	8	1
Total	1 551	1 804	253
Other			
	\$	\$	\$
Member contributions received	38 542 000	35 510 000	(3 032 000)
Total benefits paid	1 039 189 000	1 084 224 000	45 035 000
Total pensions paid	889 308 000	899 125 000	9 817 000
Average annual pension	16 788	16 568	(220)

Appendix A: Publications

The Authority publishes a booklet and a series of leaflets for the benefit of members:

About Your Scheme is a summary of the DFRDB, containing general information about all aspects of the Scheme, but particularly its benefits. It is for the use of all members as a general reference book.

The Authority also publishes a series of leaflets that deal in more depth with specific topics. The leaflets are entitled:

About to Leave the ADF?

Dependants' Benefits

Invalidity Benefits

Preserved Benefits

Retirement Benefits

Superannuation Contributions Surcharge

Taxation Concessions—Deductible Amounts

Taxation of Benefits

All of these publications can be obtained from members' Pay Offices, directly from National Mailing and Marketing on telephone: (02) 6299 5193, facsimile: (02) 6299 6040, or from ComSuper's website (www.comsuper.gov.au).

Appendix B: Legislation

Changes to the DFRDB Act

Defence Legislation Amendment (Enhancement of the Reserves and Modernisation) Act (No. 10, 2001) makes minor definitional changes to accommodate changes made in respect of members of the Reserve by that Act.

Appendix C: Contact officer

Information is available to Members of Parliament, Senators and members of the public on request.

In the interests of timeliness and conciseness, this report has been designed to provide only fundamental information. Requests for more detailed information should be directed to:

Postal address: Ministerial Liaison Officer
ComSuper
PO Box 22
Belconnen, ACT 2616

Street address: Unit 1, Cameron Offices
Chandler Street
Belconnen, ACT 2617

Telephone: (02) 6252 5893

Facsimile: (02) 6253 1116

TTY: (02) 6253 2911

E-mail: military.members@comsuper.gov.au

Appendix D: Glossary

AAT	Administrative Appeals Tribunal
ADF	Australian Defence Force
AD (JR) Act	<i>Administrative Decisions (Judicial Review) Act 1977</i>
commutation	conversion of a part of a pension to a lump sum
ComSuper	Commonwealth Superannuation Administration
CPI	Consumer Price Index
deferred benefit	payable, after 20 years combined ADF and government service, to members with a refund entitlement who leave their benefit in the Scheme
DFRB	Defence Forces Retirement Benefits
DFRDB	Defence Force Retirement and Death Benefits
FOI	Freedom of Information
gratuity	a one-off bonus payment paid to some members on resignation. It is usually only paid to 'other rank' members
incapacity	the degree to which the disorder that caused a member's retirement affects his or her ability to perform appropriate civilian work. The basis for determining invalidity benefits
invalidity	a mode of retirement resulting from a disorder or disorders that render a member unfit for further military service
MSB	Military Superannuation and Benefits
MSBS	Military Superannuation and Benefits Scheme
MSCAG	Military Superannuation Communication Advisory Group
no-detriment	provision that ensures that certain officers receive a DFRDB benefit at least the equal of the DFRB benefit for which they were contributing before the DFRB Scheme closed
preservation	used colloquially to refer to deferred benefits and to the transfer of benefits
productivity	a benefit component for all members, accruing since January 1988 and funded by the Department of Defence
re-entered recipient	a contributor who has rejoined the Scheme having previously received a DFRDB pension
reversionary benefit	the benefit payable to eligible spouses and children (including orphans) of a contributor, pensioner or preserved benefit member who dies
Superannuation Guarantee	arrangements which mean that a member who receives a refund entitlement is entitled to an additional payment to bring the employer benefit to a minimum required amount
surcharge	<i>Superannuation Contributions Tax (Assessment and Collection) Act 1997</i> , a tax on employer financed superannuation contributions
transfer value	an amount paid to an eligible superannuation scheme on behalf of a member who leaves the DFRDB without a pension entitlement

Appendix E: Compliance details

While this report is not a Departmental annual report, the Authority has endeavoured to comply with the 'Requirements for Departmental Annual Reports', where applicable. Details of ComSuper's operations are provided in the *Commissioner for Superannuation Annual Report 2000–01*. Annual reporting requirements that are met in the Commissioner for Superannuation's report are indicated below by an asterisk.

Requirement	Page
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Aids to access	
Table of contents	v
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Compliance index	42
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Organisation chart	*
Social justice and equity	*
Internal and external scrutiny	*
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Program performance reporting	*
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Service charter	43

Appendix F: Service charters

In the first half of 2000, revised service charters for contributing and retired DFRDB members for 2000–02 were prepared by ComSuper and copies made available to members of the schemes, in accordance with Government policy. At year's end new service charters were in the final stages of preparation.

The Authority has endorsed these charters. The following extracts list the principal standards contained within the charters relevant to the year under report, with references to areas of the report where performance related data can be found.

The service DFRDB contributors can expect

- Should a member phone our information service between 9.00 am and 5.00 pm, Eastern Time, Monday to Friday (excluding public holidays),
 - normally the call will be answered within 45 seconds (see page 13);
 - if the member asks for a benefit estimate, we will, where possible, provide you with that information at the time of the call (see page 13).
- In response to a member request for a benefit estimate, we will send the information requested usually within 10 working days of receiving the letter (see page 12).
- Letters about any other matter will be answered as soon as possible, usually within 10 working days of receipt (see page 12).
- Subject to the employer supplying us with correct, regular and timely information, we will maintain member records accurately and in a current state (see page 8).
- Annual member statements, setting out equity in the Scheme as at 30 June, will be sent before 10 September each year. Where statements have to be produced manually, we will send a statement before 15 December (see page 12).
- In processing claims for a superannuation benefit,
 - we will pay the lump sum as soon as possible, usually within 5 working days of receiving all the necessary information (see page 15);

- we will pay the pension on the next available pension payday after receiving all the necessary information (see page 15).
- In processing a claim for an invalidity benefit,
 - we will assess the claim as soon as possible, usually within 10 working days of receiving all the necessary information (see page 20);
 - we will pay the pension on the next available pension payday after the claim is assessed (see page 20).
- If we are informed of a member's death,
 - we will send an application form and a benefit estimate to the member's spouse within 24 hours. If there is no spouse, but there is an eligible child or children, we will send an application form and benefit estimate to the guardian of the child or children. If needed, we will help in completing the form (see page 23);
 - when we receive a correctly completed application form and an entitlement to a benefit is clearly established, we will arrange for the benefit to be paid—in the case of a lump sum, within 10 working days and, in the case of a pension, on the next available pension payday (see page 23);
 - if entitlement to receive a benefit is not automatic, we will write within 5 days of receiving an application form and advise what needs to be done (see page 23);
 - if there is no spouse or children eligible for benefits, we will pay the benefit to the member's estate within 10 working days of receiving all necessary information (see page 23).

The service retired DFRDB members can expect

- Should a retired member call our information service between 9.00 am and 5.00 pm Eastern Time, Monday to Friday (excluding public holidays), normally, the call will be answered within 30 seconds. However, at times, particularly during the months of July, August and September, demand for our services is high following the mailing of the annual pension advice letter, and we may not be able to answer the call as quickly as we would like. During these times we will attend to the inquiry as soon as possible (see page 25).
- If a retired member requests a variation to be made to the way the fortnightly benefit is paid, we will make the change as soon as possible, but usually by the next available pension payday. We will tell the member the payday the change will take effect (see page 25).

- In response to a letter about any other matter,
 - if the letter requires a written reply, we will answer it as soon as possible, usually within 5 working days of receiving it (see page 25);
 - if we are unable to do this because of the complexity of the inquiry, we will let the member know as soon as possible, usually within 2 working days of receiving the letter (see page 25).

- If we are informed of a retired member's death,
 - we will send an application form to the member's spouse within 24 hours. If there is no spouse, but there is an eligible child or children, we will send an application form to the guardian of the child or children. If needed, we will help in completing the form (see page 23);
 - when we receive a correctly completed application form and an entitlement to a benefit is clearly established, we will arrange for the benefit to be paid on the next available pension payday (see page 23);
 - if the spouse's entitlement to receive a benefit is not automatic, we will contact him or her within 5 working days of receiving an application form and advise what needs to be done (see page 23).

- Annual pension advice letters, advising whether pensions have been adjusted because of an upward movement in the Consumer Price Index (CPI), will be sent usually before the first pension payday in July each year. If there is an adjustment, the increase will be paid on that pension payday (see page 27).

- Income tax group certificates will be sent together with the annual pension advice letters, usually before the first pension payday in July each year (see page 27).

- We will send income tax concession information that will help retired members determine whether they are eligible for a superannuation tax concession. The information will be sent with the annual pension advice letters before the first pension payday in July each year (see page 27).

Appendix G: Freedom of information

Freedom of Information Act statement

This statement is provided in accordance with section 8 of the *Freedom of Information Act 1982* (the FOI Act).

Functions of ComSuper

The general functions of ComSuper are described in the main body of this report and in the *Commissioner for Superannuation Annual Report 2000–01*.

Decision-making powers

The power of the DFRDB Authority to administer the provisions of the *Defence Forces Retirement Benefits Act 1948* and the *Defence Force Retirement and Death Benefits Act 1973* is set out in section 8 of the DFRDB Act. The power of the Authority to delegate its powers and functions is set out in section 15. The application of those powers is summarised in this report, while the details are published separately in the DFRDB Authority annual report.

FOI internal procedures

All requests for documents are referred to ComSuper's Corporate Governance and Parliamentary Liaison Unit. Compliance with the application fee provisions of the FOI Act are verified and the request is registered and acknowledged. The documents are then obtained and the request is considered by the Unit.

Decisions to grant access, levy charges, or refuse access are made by an APS Level 6 in the Corporate Governance and Parliamentary Liaison Unit.

Requests for internal review of FOI decisions are also referred to the Unit. They are then forwarded to the Legal Services section where they are investigated prior to submission to the Authority for decision under section 54 of the FOI Act.

Officers currently designated to carry out such investigations are APS Level 8 officers in the Legal Services Section. All decisions on internal reviews are made by the Authority.

Facilities for access

Facilities for viewing documents are provided only at the ComSuper office in Canberra, as ComSuper has no regional offices. Publications may be inspected at ComSuper's Corporate Governance and Parliamentary Liaison Unit, and copies (for which there may be a charge) can be obtained by writing to ComSuper.

Information about facilities for access by people with disabilities can be obtained by contacting the Corporate Governance and Parliamentary Liaison Unit at the address and telephone numbers shown on page 34 of this report.

Consultative arrangements

Informal and ad hoc arrangements exist whereby the national, State and Territory branches of the Regular Defence Force Welfare Association may make representations relating to the general administration of the scheme. Representations are also received which relate to the determination of individual contributors' benefit entitlements.

Requests for consultation and/or representations relating to policy aspects of the schemes and their underlying legislation are referred to the Superannuation Branch of the Department of Defence which has responsibility for advising the Minister Assisting the Minister for Defence and the Minister for Veterans' Affairs on such matters.

Categories of documents

The Authority maintains no categories of documents that are open to public access as part of a public register or otherwise, in accordance with an enactment other than the FOI Act, where that access is subject to a fee or other charge.

Books and leaflets that describe various aspects of the superannuation schemes, and annual reports, are made available to the public free of charge upon request. They are also available free of charge via ComSuper's Internet site.

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