



Australian Government
Defence Force Retirement &
Death Benefits Scheme

The DFRDB Authority

ANNUAL REPORT TO PARLIAMENT 2010–2011



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Postal address PO Box 22
Belconnen, ACT 2616

Telephone **1300 001 677**
Facsimile (02) 6272 9616
TTY (02) 6272 9827

Annual report enquiries Member Communications Section, ComSuper
Telephone **(02) 6272 9272**

Internet **www.dfrdb.gov.au**
Annual report **www.dfrdb.gov.au/aboutus/annualreports.htm**

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Note: All contribution, benefit, membership and exit statistics are derived solely from records available to the Chair of the DFRDB Authority 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 DFRB and DFRDB 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 Warren Snowdon MP
Minister for Veterans' Affairs
Minister for Defence Science and Personnel
Minister for Indigenous Health
Parliament House
Canberra ACT 2600

Dear Minister

In accordance with section 30 of the *Governance of Australian Superannuation Schemes Act 2011*, I am pleased to submit to you the Annual Report of the Defence Force Retirement and Death Benefits (DFRDB) Authority for the year ended 30 June 2011.

Subsection 30(4) of the *Governance of Australian Superannuation Schemes Act 2011* requires you to cause a copy of the report to be laid before each House of the Parliament within 15 sitting days of you receiving it.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Tony Hyams', with a large, sweeping initial stroke.

Tony Hyams
Chairman, Commonwealth Superannuation Corporation

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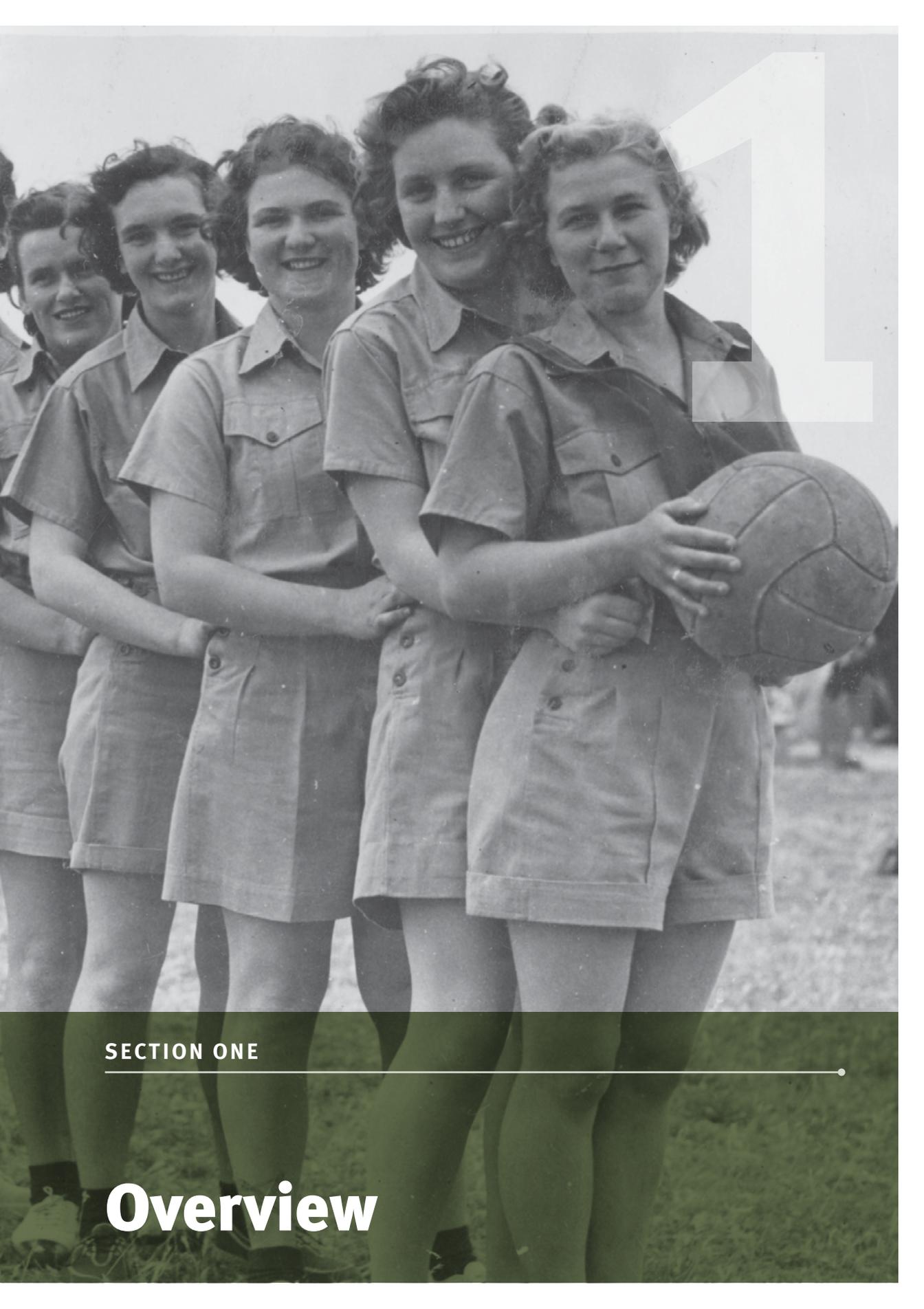
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SECTION ONE

Overview

OVERVIEW

From 1972 to 1991, the DFRDB scheme was the superannuation scheme for Australian Defence Force (ADF) personnel involved in service, including many that saw action in the Vietnam War and the First Gulf War. The DFRDB Authority managed DFRDB while it was open to new members, and subsequently for the past 20 years.

From 1 July 2011, a new trustee body, the Commonwealth Superannuation Corporation (CSC), assumed responsibility for the oversight of the majority of Commonwealth superannuation schemes that ComSuper administers.

The CSC came about as a result of the merger of the DFRDB Authority, Military Superannuation and Benefits Board (MSB Board) and ARIA Board (the trustee of the CSS, PSS and PSSap civilian schemes), and the legislation putting the new governance structure in place was passed by Parliament in June 2011.

All benefits secured by virtue of membership of the superannuation schemes managed by the CSC, including DFRDB, remain unaltered. The key points to recognise are:

- the benefits, governance and operations of DFRB and DFRDB have not changed
- the interests of DFRB/DFRDB members will continue to be represented by the three previous DFRDB Authority members who now sit on the Defence Force Case Assessment Panel (DFCAP); which was created as part of the CSC to continue the DFRDB Authority's reconsiderations process. DFCAP is chaired by General Peter Cosgrove and comprises a Trustee Director of the CSC, as nominated by the Chief of the Defence Force, and three existing DFRDB Authority members, one each nominated by the Chief of the Air Force, Chief of the Army and Chief of the Navy. There may also be up to two other persons as determined by the CSC
- DFRDB will keep its brand identity and will continue to look and feel the same
- ComSuper continues to be the scheme administrator and members' first point of contact
- members will continue to have access to high quality superannuation arrangements that reflect the unique nature of the Australian Defence Force service.

CSC acknowledges and thanks the DFRDB Authority members who managed the DFRB and DFRDB schemes over the past 12 months, and those who have served the DFRDB since 1972.



SECTION TWO

About the Scheme

ABOUT THE SCHEME

Description of DFRB and DFRDB

The Defence Forces 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 benefit entitlements to those members who ceased to be contributors before 1 October 1972 and provide reversionary benefits to their eligible spouses and children.

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

DFRDB is an unfunded defined benefit superannuation scheme. There is no investment fund for DFRDB and all benefits are paid from the Australian Government's Consolidated Revenue Fund (CRF). DFRDB was closed to new entrants with the commencement of the Military Superannuation and Benefits Scheme (MilitarySuper) on 1 October 1991. Members of DFRDB were given the choice to remain in the scheme or to transfer to MilitarySuper. All new ADF members since 30 September 1991 have automatically become members of MilitarySuper, with the exception of former ADF members in receipt of a DFRDB benefit who completed a valid formal election to remain in DFRDB before any re-entry to the ADF.

Members of DFRDB contribute at the rate of 5.5% of the highest incremental salary for rank. Contributions are paid directly to the CRF every fortnight. Benefits payable do not depend on investment fund earnings, other than for members who make optional ancillary contributions to MilitarySuper.

DFRDB differs from most other defined benefit superannuation schemes in that retirement age plays only an incidental part in calculating benefit entitlements. The main factor is the length of the member's effective service (total full-time contributory service, plus any periods of past service that may have been bought back). Members who retire from the ADF after 20 years of effective service (or after 15 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 be entitled to an invalidity pension. Benefits may also be payable to any surviving eligible spouse and children on the death of a member or pensioner.

Members with less than 20 years service and who have not reached their compulsory retiring age for rank are entitled to:

- a refund of their contributions, a Superannuation Guarantee amount and a productivity benefit
- if applicable, a gratuity based on completed years of service.

The DFRDB Authority

The DFRDB Authority was responsible for the general administration of the DFRB Act and the DFRDB Act.

The DFRDB Authority was established by section 8 of the DFRDB Act. The Commissioner for Superannuation was ex-officio chairman of the DFRDB Authority, in accordance with paragraph 8(2)(a) of the DFRDB Act.

There were four other DFRDB Authority members who were nominated by the Minister and the Chiefs of the three Services. These members were appointed for two years, in accordance with subsections 8(3) and 8(5) of the DFRDB Act and had the option of being re-appointed at the end of their term.

ComSuper was responsible for providing administrative support to the DFRDB Authority and remains responsible for the day-to-day administration of DFRB and DFRDB, as well as other superannuation schemes for current and former ADF and Australian Government employees.

At 30 June 2011, the DFRDB Authority members were:

Peter Cormack
Ex-officio Chairman and
Commissioner for Superannuation

Brian Paule
Deputy Chairman
(re-appointed from 15 February 2010)

CMDR Stephen Cornish
Nominee of the Chief of Navy
(appointed from 25 October 2010)

COL Anthony Hambleton
Nominee of the Chief of Army
(appointed from 1 January 2011)

GPCAPT David Richardson
Nominee of the Chief of Air Force
(re-appointed from 20 July 2010)



From left to right: CMDR Stephen Cornish, Mr Brian Paule, GPCAPT David Richardson, Mr Peter Cormack, COL Anthony Hambleton

Governance

Governance framework

Until 30 June 2011, the DFRDB Authority was operated as an executive management agency. A comprehensive governance framework was established by the Commissioner for Superannuation to oversee ComSuper's operations and to provide the DFRDB Authority with appropriate assurance that their obligations were fulfilled. The DFRDB Authority met nine times during 2010–2011.

On 30 October 2008, the Government announced the consolidation of the trustee Boards that manage the main Australian Government superannuation schemes (Australian Reward Investment Alliance (ARIA), the MSB Board and the DFRDB Authority) was dissolved to merge to form a single trustee board on 1 July 2010. The legislative package to enable the merger was not finalised before the Parliament was dissolved.

The legislation to merge these entities was passed by Parliament on 21 June 2011. Therefore, from 1 July 2011, the DFRDB Authority ceased to exist and the new trustee body (the Commonwealth Superannuation Corporation) assumed responsibility for the administration of the following military and civilian superannuation schemes:

- Defence Forces Retirement Benefits (DFRB) scheme
- Defence Force Retirement and Death Benefits (DFRDB) scheme
- Military Superannuation and Benefits Scheme (MilitarySuper)
- 1922 scheme
- Papua New Guinea (PNG) superannuation scheme
- Commonwealth Superannuation Scheme (CSS)
- Public Sector Superannuation (PSS) scheme
- Public Sector Superannuation accumulation plan (PSSap)

The merger is intended to provide more efficient trustee arrangements, improved member services and better outcomes for members.

Service Level Agreement (SLA)

Funding and administration service levels for military superannuation schemes are reviewed every two years. The Department of Defence (Defence), the MSB Board, the DFRDB Authority and ComSuper have participated in the negotiation of this SLA.

The SLA for services to DFRDB members was negotiated in 2009 and expired on 30 June 2011, with a new two year SLA signed on 29 June 2011.

ComSuper reported regularly to the DFRDB Authority against all the SLA service standards. Performance data was collected and reported monthly (see Performance chapter).

Delegations

The DFRDB Authority delegated the responsibility for day-to-day scheme administration to ComSuper staff. The DFRDB Authority retained the power to reconsider decisions made by these delegates.

Status under Superannuation Industry Supervision legislation

DFRDB is an Exempt Public Sector Superannuation Scheme for the purposes of the *Superannuation Industry (Supervision) Act 1993* (the SIS Act). Therefore, it is deemed to be a complying superannuation fund under the *Income Tax Assessment Act 1997* and the *Superannuation Guarantee (Administration) Act 1992*.

Although the DFRDB Authority complied with the spirit of the SIS Act, it has not elected for the scheme to become a Regulated Superannuation Fund subject to the prudential requirements set out in the SIS Act.

Military Superannuation Communication Committee (MSCC)

The MSCC was a combined communications committee that serviced both the DFRDB Authority and the MSB Board.

Defence Force Case Assessment Panel (DFCAP)

DFCAP was created to continue the DFRDB Authority's reconsiderations process. The CSC approved the following DFCAP membership:

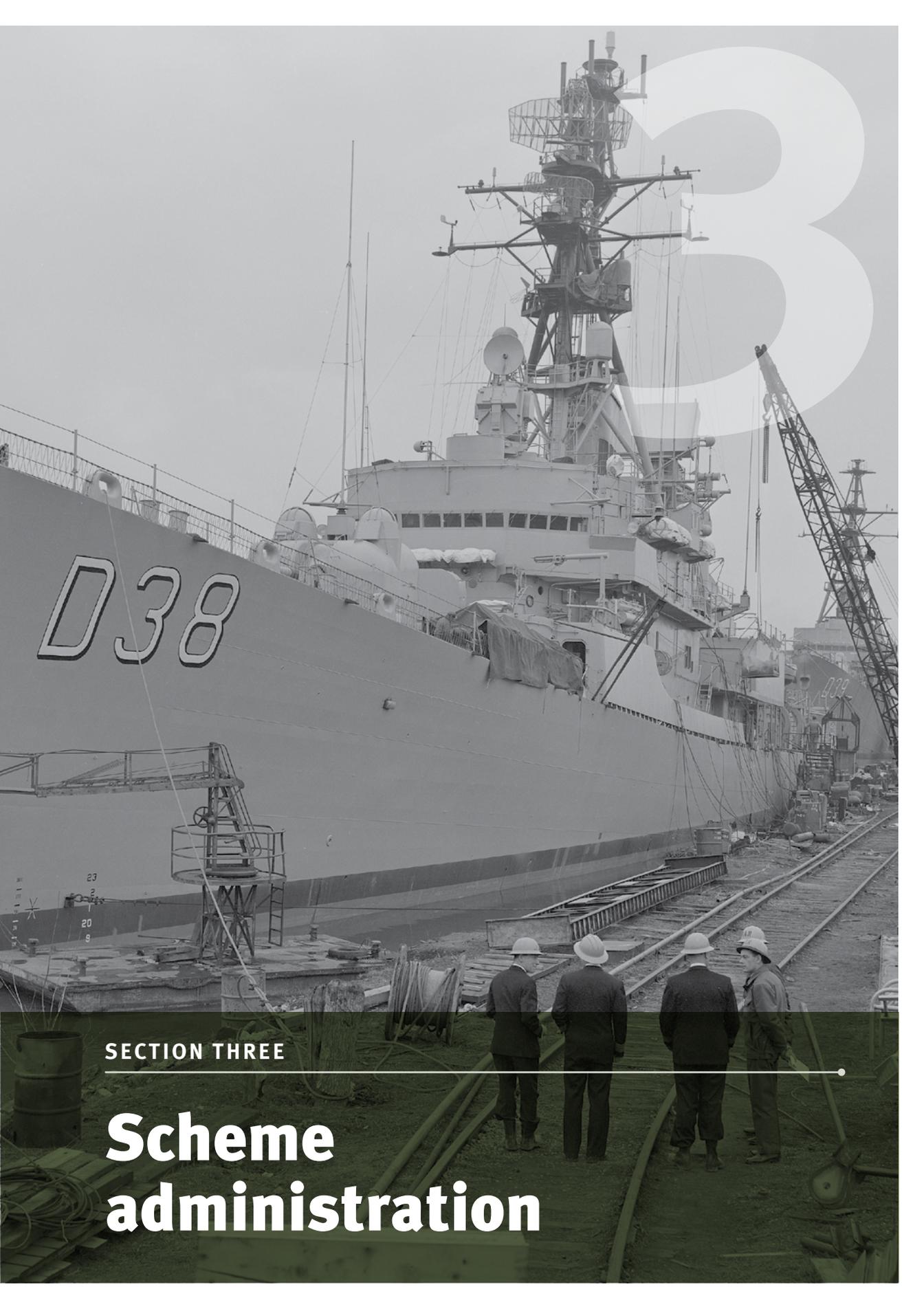
- General Peter Cosgrove, Chairman
- John McCullagh, Deputy Chairman
- Group Captain David Richardson (Air Force)
- Commander Steve Cornish (Navy)
- Colonel Anthony Hambleton (Army)

Superannuation policy

ComSuper is responsible for the administration of DFRDB. Responsibility for the legislation and policy of the scheme lies with the Directorate of Superannuation within the Department of Defence. ComSuper participates in meetings with the Directorate of Superannuation regarding scheme legislation and policy.

ComSuper facilitates the day-to-day running of the scheme by:

- collecting superannuation contributions
- maintaining member accounts
- providing call centre services
- calculating and paying benefits
- issuing member statements
- providing online services, seminars and information for members.



SECTION THREE

Scheme administration

SCHEME ADMINISTRATION

Account maintenance

Collection, recording and maintenance of member information

One of ComSuper's major functions as the Defence Force Retirement and Death Benefits (DFRDB) scheme administrator is to maintain contributor accounts. ComSuper works closely with the Department of Defence (Defence) in performing this function.

ComSuper utilises the industry-leading ePASS system, an online interface for employers to lodge contributions and data for members. This became fully functional during the year and approximately 99.5% of contributions data is processed directly into ComSuper's administration system. The remaining 0.5% of data requires some form of manual intervention before being entered into ComSuper's systems.

Ancillary contributions

The MSB Board approved the introduction of an ancillary package for MilitarySuper with effect from 1 August 2005. For equity purposes, the MilitarySuper rules were amended to allow current contributors to DFRDB to make ancillary contributions (voluntary contributions or transfers made by members).

There are several types of ancillary contributions:

- additional personal contributions (contributions made in addition to regular MilitarySuper contributions)
- salary sacrifice contributions (contributions from pre-tax salary)
- spouse contributions (contributions made for a member's spouse)
- transfer amounts (all or part of another superannuation benefit)
- Government (super) co-contributions (additional contributions from the Australian Government for eligible individuals)
- Ordinary Time Earnings (superannuation guarantee) top up amounts (paid by Defence)
- superannuation guarantee (paid via the Australian Taxation Office (ATO) from previous external employees).

Ancillary contributions form part of a separate benefit called an ancillary benefit. They accrue as a separate accumulation interest within the MilitarySuper Fund and fluctuate in line with investment returns achieved by the Fund. Ancillary contributions do not attract or add to the employer benefit. Ancillary contributions are reported separately to member benefits accrued under DFRDB.

From August 2011, members can change their investment options for ancillary contributions via Member Services Online on the MilitarySuper website at www.militarysuper.gov.au

Superannuation surcharge

The superannuation surcharge was calculated by the ATO and imposed on a member's surchargeable contribution where the member's adjusted taxable income (taxable income plus notional employer contributions) exceeded certain levels before 1 July 2005. Surcharge amounts notified by the ATO are recorded in a surcharge debt account. Although the surcharge does not apply from 1 July 2005 onwards, amounts recorded in surcharge debt accounts must still be paid. Despite the abolition of the surcharge, ComSuper is required to continue the maintenance of surcharge debt accounts for DFRDB members who have not paid the amount in those accounts. Interest is applied to any amount in a member's surcharge debt account at 30 June in any year. Interest is based on the 10-year Treasury bond rate.

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

Consolidated Revenue Fund (CRF)

The payment of pensions and lump sums (commutations) are paid out of the CRF. Member and employer contributions are paid into the CRF by ComSuper each fortnight electronically.

Debtors

At 30 June 2011, approximately \$1.1m was due to the DFRDB Authority in benefits overpaid under the DFRB and DFRDB schemes. There are two common causes of overpayment:

- late notification to the DFRDB Authority that the recipient is deceased
- delays in notification of re-entered recipients to the Australian Defence Force (ADF).

Administrative processes are in place to reduce the chance of overpayments arising and most overpaid benefits have been recovered by the DFRDB Authority.

Membership

Members of DFRDB fall into the following categories:

- contributors
- deferred benefit members
- pensioners (includes those receiving a pension under the DFRB and DFRDB legislation).

Details of membership numbers are at Appendix 1.

Benefits (including pensions)

All applications for benefits are processed in line with agreed service levels and in accordance with relevant legislation. There are service levels relating to the payment of benefits as outlined in the Service Level Agreement (SLA). These apply to all benefit events such as resignation, retirement, invalidity, reversionary, reconsideration and death.

The standards for the processing of military benefit applications were monitored by the DFRDB Authority throughout the year. A comparison of the dollar value of benefits paid in 2010–2011 with the previous four financial years is set out in the table below.

Table 1: DFRB and DFRDB benefits paid in the past five years

Benefit type	2006–2007	2007–2008	2008–2009	2009–2010	2010–2011
	\$'000				
Pension payments (including invalidity)	1 170 998	1 202 874	1 260 072	1 285 457	1 375 488
Refunds of contributions	565	462	0	3040	0
Lump sum (commutation) payments	160 640	118 385	155 905	95 492	102 189
Total benefit payments	1 332 203	1 321 721	1 415 977	1 383 989	1 477 677

Pension payments

During 2010–2011 ComSuper paid \$1 375 488 in pensions to DFRDB and DFRB pensioners compared to \$1 285 457 paid in 2009–2010. The number of pensioners increased from 56 981 at 30 June 2010 to 57 016 at 30 June 2011. ComSuper processed a very large number (14 553) of variations to pensions, including changes to personal details, taxation arrangements and payment details.

Gratuities

Certain members who leave the ADF without an entitlement to a pension are entitled to a refund of their contributions plus a gratuity. A gratuity is a sum of money paid to some members in the form of a one-off bonus. Although gratuities are usually only payable to other rank members, some officers are also entitled to receive them. Once a member becomes entitled to a retirement or invalidity benefit, he or she is not eligible to receive a gratuity. No gratuities were paid from the CRF to members who exited in 2010–2011.

Commutation and the affect on pensions

Members retiring from the ADF are entitled to the early payment of part of their retirement pension as a lump sum (that is, they commute part of their benefit). If they do so, their retirement pension is permanently reduced **irrespective of how long they live**. Retiring members can receive a maximum commutation lump sum of up to five times their pension. During the year, 414 members elected to commute part of their pension.

Preservation of rights

Under certain circumstances, members who leave DFRDB 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 transfer their benefit must do so to a superannuation scheme declared as 'eligible' by the Minister for Finance and Deregulation. Eligible superannuation schemes are generally linked to government employment. Once a benefit is transferred to another scheme, the member's benefits are determined solely by that scheme.

Members who elect to defer their benefit must enter full-time public sector employment within 90 days of their exit date from the ADF. When their combined ADF and government service reaches 20 years, the member becomes entitled to a reduced DFRDB pension. Five members elected to defer their entitlements in DFRDB in 2010–2011.

Reversionary benefits

In the event of a contributing or deferred benefit member's death, their dependants and/or their estate may be entitled to a benefit. These benefits can be payable to an eligible spouse/s, child/ren, orphan/s or the estate. Where an eligible spouse receives their reversionary benefit as a pension, this pension is in most cases (but not all) payable for life.

Following the death of a member, all applications for reversionary benefits are processed as per the SLA and in accordance with relevant legislation.

Invalidity payments

The level of invalidity is assessed for DFRDB members who are medically discharged from the ADF. This assessment determines the level of benefits the member will receive due to their incapacity for **civilian** employment. Assessments are based on:

- an independent medical assessment
- information about the member's capacity to undertake civilian employment, based on their skills and employment history
- other information provided by Defence.

ComSuper has been working with Defence to improve how quickly this information is received from Defence. One initiative introduced in 2010–2011 was the superannuation single access mechanism (SuperSAM) whereby Defence now provides medical documents to ComSuper electronically.

ComSuper is also working with Defence on their Joint eHealth Data and Information (JeHDI) project. This system should facilitate even faster and more tailored access to medical records and reporting, and provide better linkages to DVA with regard to mutual clients.

It is anticipated that both of these initiatives will facilitate earlier resolution of initial invalidity applications.

Members retired on invalidity grounds receive an A, B or C invalidity classification:

- Class A – significant incapacity
- Class B – moderate incapacity
- Class C – low incapacity.

In 2010–2011, 56 members received initial invalidity classifications. Of those, 21 were classified as either Class A or Class B, and became entitled to an invalidity pension.

DFRDB invalidity pensioners retain the right to initiate a review if they feel their condition has deteriorated (see also Reviews and Claims on page 22). In 2010–2011 a total of 11 DFRDB invalidity pensioners sought a review of their invalidity classification and, as a result, the invalidity classification of six of those members was changed. ComSuper may initiate a review of Class A or Class B classifications at any time.

Family Law

The DFRDB legislation enables the creation of separate accounts for associates in family law splitting situations (for example, an ex-spouse due to divorce). A MilitarySuper associate account is created when a DFRDB contributor or deferred benefit is subject to a family law splitting court order.

Interdepartmental Working Group for Streamlining Administration of Transitioning and Former ADF Members (IWG)

The DFRDB Authority periodically re-assesses invalidity pensions. This can result in the member's invalidity classification being increased, decreased or maintained at the same level. A reclassification that results in an increase in benefit can have a flow on effect if a member also receives a DVA benefit. This can lead to a possible overpayment. As a member of the IWG, ComSuper has been working with DVA and other departments to take an integrated approach to minimise the impact on members and focus on a whole of government approach.

Members of the IWG include:

- Department of Veterans' Affairs (DVA)
- Department of Defence (Defence)
- Centrelink
- ComSuper
- Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA)
- Department of Education, Employment and Workplace Relations (DEEWR)

- Australian Taxation Office (ATO)
- The Australian Government Information Management Office (AGIMO).

Additionally, initiatives are being implemented with Defence to improve the provision of medical records to facilitate earlier resolution of initial invalidity applications.

Projects

During 2010–2011, ComSuper completed several projects to improve the currency and accuracy of members' details and benefits. Due to a number of members' entitlements being affected by multiple issues simultaneously, ComSuper worked collaboratively with DVA, the ATO and Defence, taking an integrated approach to minimise the number of contacts with, and impacts on members.

Graded Other Ranks Pay Structure (GORPS)

In 2008, the Defence Force Remuneration Tribunal determined different pay structures for ADF personnel with the resulting pay rise backdated to 4 September 2008. Retrospective top up payments for affected ADF personnel (including reservists) were completed in July 2009. In addition, 504 DFRDB members received manual top up payments because their discharge date was between 4 September 2008 (the GORPS effective date) and the Defence implementation of GORPS.

This project was successfully completed on 28 February 2011.

A further GORPS adjustment was implemented in April 2010 with no adverse impact as this adjustment was not retrospective.

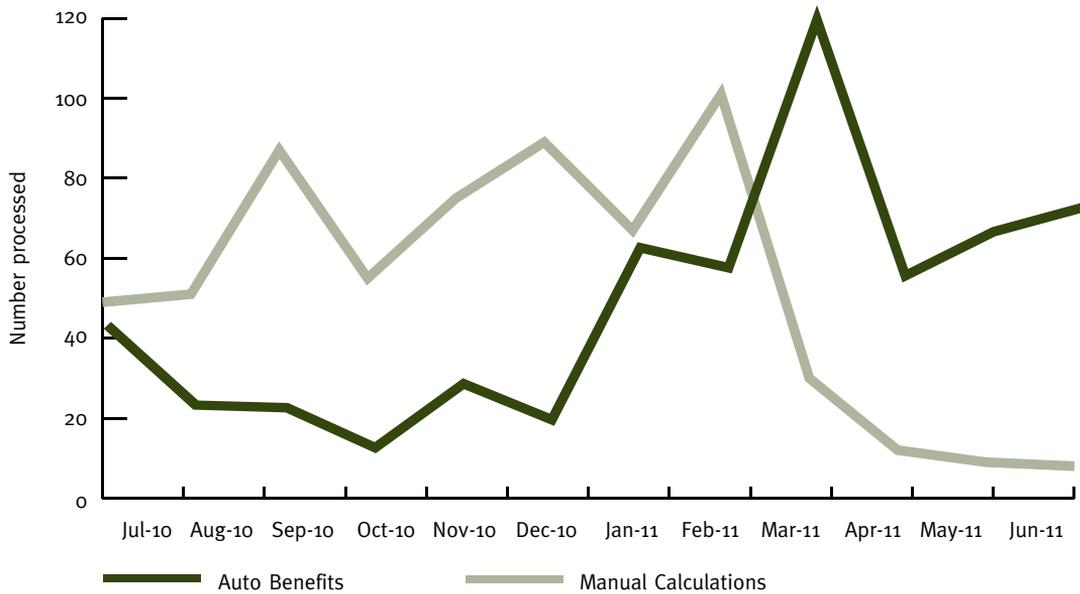
Automated processing for re-entered members

The processing of benefit applications for those members discharging after a second or subsequent exit was automated from 28 February 2011.

System improvements reduced the need for manual processing (due to the complexity of the calculations involved) from 26% in the beginning of 2010–11, to 12% by the end of the financial year.

A further improvement made this year was the introduction of an online version of the scheme election form for former DFRDB scheme members resuming Australian Defence Force full-time service (*D100*). This was implemented on the DFRDB website on 31 March 2011. The online version automatically sends the form to ComSuper for processing and provides an email to the member as confirmation of receipt.

Chart 1 – DFRDB automated versus manual processing



Reviews and claims

Complaints

ComSuper has systems in place for handling complaints, Ombudsman enquiries, and requests made under the *Freedom of Information Act 1982* (the FOI Act). ComSuper also prepares responses to parliamentary representations.

Claims

The Authority received three legal claims for compensation in 2010–2011, with one claim carried-over from the previous financial year. One claim was accepted, one claim was partly accepted and the other claim was not accepted. A total of \$12 491.02 was paid in compensation. As at 30 June 2011, one claim remained outstanding.

Internal review

A person affected by a decision of the DFRDB Authority or its delegates, may request that the decision be reconsidered. Almost any action taken in the administration of the DFRB and DFRDB Acts can be reconsidered.

The DFRDB Authority may affirm or vary the primary decision. ComSuper provides the applicant with a copy of the DFRDB Authority's decision and details of the evidence considered.

Note: from 1 July 2011, reviews which would have been undertaken by the DFRDB Authority will be undertaken by the Defence Force Case Assessment Panel (DFCAP), which is part of the Commonwealth Superannuation Corporation (CSC).

External appeals

The Administrative Appeals Tribunal (AAT) is the avenue for external review for decisions made by the DFRDB Authority.

The DFRDB Act provides for applications to be made to the AAT for review of decisions reconsidered by the DFRDB Authority. If the DFRDB Authority's decision is adverse to the applicant, information about the right to apply for review by the AAT is included with the advice of the decision.

Note: from 1 July 2011, reviews which would have been undertaken by the DFRDB Authority will be undertaken by the Defence Force Case Assessment Panel (DFCAP), which is part of (CSC).

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 2010–2011.

Federal Magistrates Court of Australia (FMC)

The FMC was established in 2000 to provide a simple and accessible forum for resolution of less complex federal law matters. There were no FMC matters relating to the DFRDB Authority in 2010–2011.

Federal Court of Australia

Under section 44 of the *Administrative Appeals Tribunal (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.

Three matters were appealed from the AAT to the Federal Court of Australia in 2010–2011. One appeal by the DFRDB Authority was allowed, one appeal by a scheme member was allowed and remitted to the AAT, and one matter was withdrawn.

High Court of Australia

No matters were referred to the High Court of Australia during 2010–2011.

Legislation

The *Defence Forces Retirement Benefits Act 1948* and the *Defence Force Retirement and Death Benefits Act 1973* were amended by the *Statute Law Revision Act 2011* (Act No. 5 of 2011, ComLaw ref: C2011A00005) to insert a new definition of ‘Finance Minister’.

The DFRDB Productivity Benefit Determination was amended by the *Defence Force (Superannuation) (Productivity Benefit) Amendment Determination 2011* (No. 1) [Legislative Instrument F2011L00562]. The amendment added the accrual interest rate for the 2011 calendar year.

There were no other amendments of these Acts during the 2010–2011 financial year.

Commonwealth Disability Strategy

Within the framework of the Commonwealth Disability Strategy, ComSuper performs the role ‘provider’ with performance measured against the following indicators:

- providers have mechanisms in place for quality improvement and assurance
- providers have an established service charter that specifies the roles of the provider and consumer, and service standards which address accessibility for people with disabilities
- providers have a complaints or grievance mechanism in place, including access to external mechanisms to address issues and concerns raised about performance.

In 2010–2011, all requirements were met.

Freedom of Information (FOI)

FOI Act statement

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

Functions of ComSuper

The general functions of ComSuper are described in the *Commissioner for Superannuation 2010–2011 Annual Report*.

Decision-making powers

The power of the DFRDB Authority to administer the provision of the *Defence Forces Retirement Benefits Act 1948* and the *Defence Force Retirement and Death Benefits Act 1973* is set out in Section 89 of the DFRDB Act. The power of the DFRDB Authority to delegate its powers and functions is set out in Section 15 (DFCAP from 1 July 2011).

FOI internal procedures

All requests from the public and some requests from members for documents are referred to ComSuper’s FOI Officer. Compliance with the application fee provisions of the FOI Act is verified and the request is then registered and acknowledged.

Decisions to grant access, levy charges or refuse access are made by a delegated officer. Requests for internal review of FOI decisions are forwarded to the appropriate reconsideration section where they are investigated before being decided under section 54 of the FOI Act.

Requests for documentation concerning the internal administration of ComSuper are directed to the Corporate FOI Officer for consideration. Decisions on internal review are made by appropriately delegated officers.

Facilities for access

Facilities for viewing member or corporate documents are provided at the offices of ComSuper, located in Canberra. Copies of publications (for which there may be a charge) may be obtained by writing to ComSuper. Publications may be inspected.

Information about facilities for access by people with a disability can be obtained by contacting the FOI Unit at the address and telephone numbers shown under **FOI enquiries** below.

Consultative arrangements

Requests for consultation and/or representations relating to policy aspects of the scheme and its underlying legislation are referred to Defence.

Categories of documents

There are 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, leaflets and fact sheets that describe various aspects of DFRDB and annual reports are made available to the public free of charge upon request. They are also available via the DFRDB website at **www.dfrdb.gov.au**

FOI enquiries

Enquiries concerning access to documents or other matters relating to FOI should be directed to the FOI officer as follows:

FOI Unit
ComSuper
PO Box 22
BELCONNEN ACT 2616

Telephone: (02) 6272 9080
Email: foi@comsuper.gov.au
Facsimile: (02) 6272 9804
TTY: (02) 6272 9827

Release of Information under the Privacy Act

All requests for disclosure of personal information outside of the FOI Act's provisions are dealt with under the Information Privacy Principles (IPP) set out in section 14 of the *Privacy Act 1988* (Privacy Act).

The Privacy Act permits disclosure of personal information to third parties in certain circumstances. During 2010–2011, ComSuper made permitted disclosures of biannual CPI-adjusted pension entitlements for all scheme members to DVA and Centrelink. These disclosures were part of the standard operating processes.

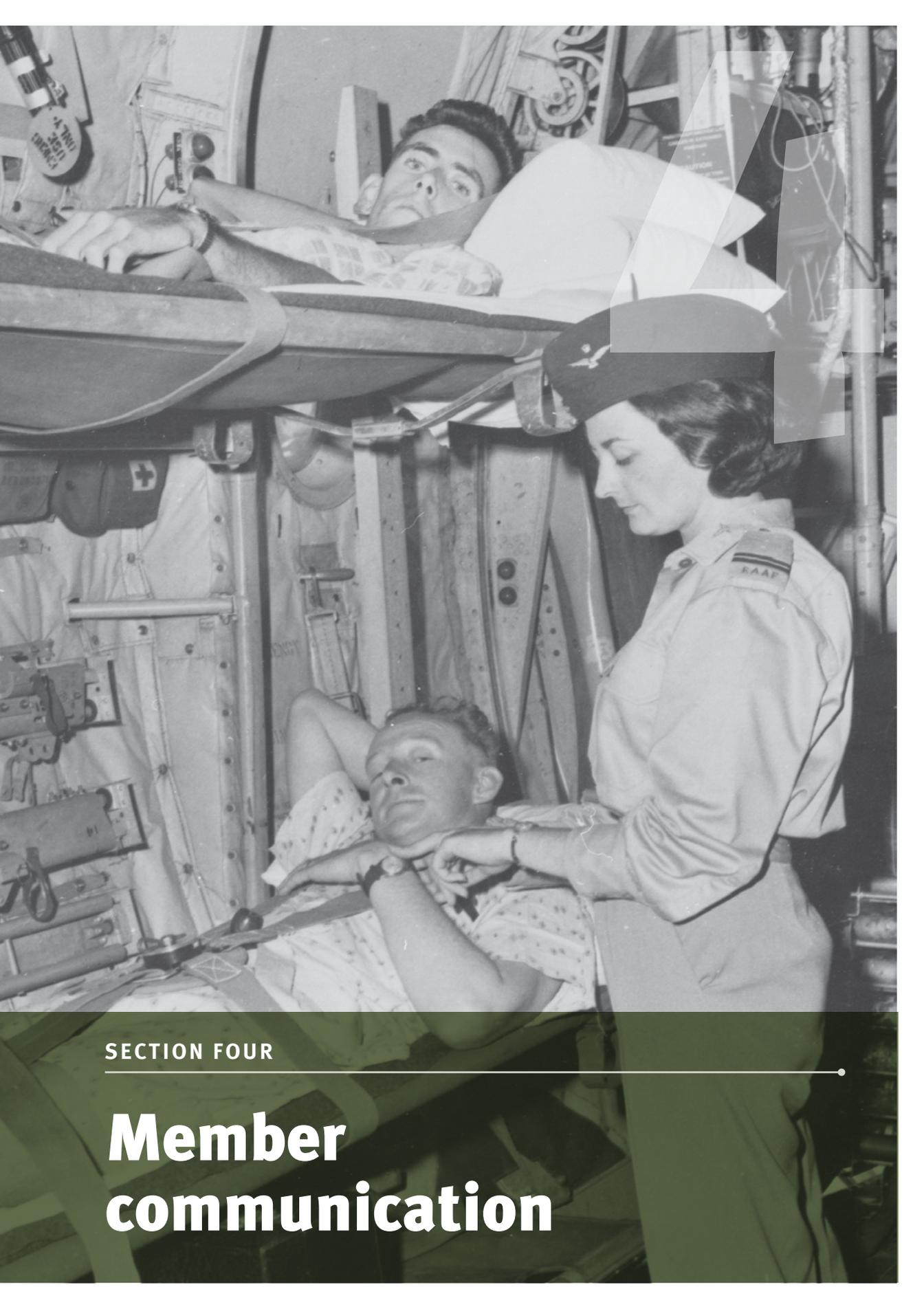
ComSuper's privacy officers addressed 21 requests for information which needed more detailed consideration. In eight cases, information was released in accordance with IPP¹¹ (1)(b) where the individual concerned consented to the disclosure. In 11 cases, the information was released in accordance with IPP 11(1)(d), as the disclosure was required or authorised by or under law. In two other cases, information was released in accordance with IPP (11)(1)(e) on the ground of enforcement of criminal law or the protection of public revenue. No requests were denied.

Developing good privacy practice

ComSuper constantly reviews its information collection practices, storage and access arrangements to ensure compliance with the Privacy Act. Internal forms used to collect information are also reviewed to ensure that they comply with the Privacy Act.

Access to personal information

Individuals and organisations requesting access to personal information held by ComSuper can email foi@comsuper.gov.au



4

SECTION FOUR

Member communication

MEMBER COMMUNICATION

Communications focus

The DFRDB Authority aimed to provide its members with comprehensive information about DFRDB, both through Defence channels and through direct client contact.

ComSuper undertakes a communications program aimed at improving members' knowledge and understanding of the scheme so that they are in a position to make informed decisions. This program includes the range of communications required by the SIS Act and recognises the particular needs of members.

ComSuper communicates with members through:

- presentations given at Defence transition seminars and other seminars at Australian Defence Force (ADF) establishments as agreed by the ADF Consumer Council and the ADF Transition Centre
- general communication by means of written correspondence and phone calls through the Customer Information Centre
- one-on-one sessions with members
- newsletters
- an annual report
- payment summaries and annual member statements
- the DFRDB and ComSuper websites.

Member feedback

During the year, ComSuper conducted a survey of members with the assistance of an independent research agency. The quality of services continues to be rated highly by members with an overall satisfaction level of 81.4% (surveyed between October and December 2010).

The survey results were considered by the DFRDB Authority, the MSCC and ComSuper and fed into a continuous improvement process. Positive results from the latest survey include:

- military members were very satisfied with the timeliness of benefit payments
- military members' satisfaction remained very high for one-on-one information sessions
- email satisfaction levels remained high
- satisfaction with telephone information provided by Customer Information Representatives remained high to very high
- an increased number of members said they would recommend ComSuper's online services.

The proportion of respondents who were satisfied with DFRDB Member Services Online was 80%, down slightly from 83% (surveyed from September to November 2009).

Nearly all respondents (96%) reported that they would 'definitely' or 'probably' recommend the DFRDB website to other members.

Publications

The DFRDB Authority published two booklets and a series of fact sheets for the benefit of members.

About Your Scheme is a summary of DFRDB, containing general information about all aspects of the scheme, but particularly its benefits. The *Family Law and Splitting Super: How it's done and what happens next* booklet provides general information on splitting superannuation in the event of divorce or separation from a member.

For members with ancillary contributions, MilitarySuper publish the *MilitarySuper Book* and *Member Investment Choice Guide* to assist with information on investment options.

All publications are available free of charge and can be downloaded or ordered online at www.dfrdb.gov.au or by calling **1300 006 727**.

Member statements and annual reports to members

Corporations Law requires that annual member statements be distributed by 31 December each year. The majority of 2009–2010 annual member statements were distributed by 26 October 2010. Annual member statements that are affected by a family law split were distributed by 2 December 2010. For 2009–2010 the DFRDB Authority published the *Annual Report to Contributors* online only. Hard copies were available on request. No DFRDB members requested a hard copy of the Annual Report in 2010.

Members may choose to receive an electronic notification of their annual member statement which is available through Member Services Online. For security purposes, members must obtain an access number to be able to view their online statement. Once the member has an access number, they can also update their contact details and print a benefit estimate. The DFRDB Authority encouraged members to take advantage of this new delivery method which is more environmentally friendly.

For 2010–2011, the *Annual Report to Contributors* will be published online only to reduce the impact on the environment. Hard copies will be available on request.

Seminars

ComSuper is committed to a membership seminar program designed to help members understand how the DFRDB works and raise awareness of invalidity and death benefits options.

All seminars are free and can be tailored and timed to fit in with operational requirements. They are usually arranged, following request, directly with individual establishments, units, and ships and bookings can be made online or via the Customer Information Centre.

ComSuper also conducts medical discharge seminars. These are intended for members who expect to be discharged on medical grounds. Invalidity classification and processes are covered in detail, including the level of scheme invalidity benefits according to classification, and the invalidity review processes.

During the year, 28 general seminars were presented to a total of 645 DFRDB members. Seminars relating to medical discharge were also presented to 385 DFRDB members. The member satisfaction survey showed continued high satisfaction with this service.

One-on-one information sessions

ComSuper provides one-on-one information sessions, both interstate and in-house. At these half hour sessions, members can obtain estimates of their benefit (for example, retirement, invalidity, or resignation) and gain a better understanding of their superannuation. During 2010–2011 there were 376 interstate and 112 in-house one-on-one information sessions held with DFRDB members.

Home visits

In 2010–2011, ComSuper assisted DVA and Defence with home visits to seriously ill members and some widows of members who had died during active service. ComSuper continued its participation in collaborative processes with DVA and Defence to ensure that these cases were handled sensitively, reducing the need for members' families to have repeated interactions with different agencies.

Pensioner communication

The Customer Information Centre at ComSuper assists military pensioners to understand their superannuation entitlements and to maintain their pension accounts.

Pension indexation and advice

Legislative provisions exist for DFRB and DFRDB pensions to be adjusted twice a year (in January and July) to reflect upward movements in the consumer price index (CPI).

In July 2010 the CPI increase was 1.4% and the January 2011 CPI increase was 1.3%. Pensioners received a statement in July 2010 and January 2011 showing the rates of pension payable to them over the following six months. Accompanying their statement was:

- a detailed letter advising how the variations in the CPI affected their fortnightly pension
- an income tax payment summary (only in July 2010)
- the *Pensioner Update* newsletter providing information about the scheme and any updates on significant changes that may affect their entitlements.

Seniors Expo

ComSuper participated in the ACT Seniors Expo in March 2011. This annual event provides seniors with an opportunity to gain information on health, nutrition, retirement, lifestyle options and financial planning. This year DFRDB was represented by staff from the Pensions Administration Section of ComSuper. This forum gave ComSuper the opportunity to connect with DFRDB pensioners in person.

DFRDB Pensioner Services Online was promoted and interested pensioners were issued with access numbers on the day. ComSuper received positive feedback from pensioners, including several messages of thanks from recently retired individuals who described very favourable experiences when having their pensions commenced.

DFRDB online

The aim of DFRDB's online services is to educate, inform and improve members' experience.

Via member services online and pensioner services online, members can:

- use the i-Estimator to project potential benefits
- view and print annual member statements and payment summaries
- change personal details and bank details.

During 2010–2011, all DFRDB forms were upgraded to allow members to fill them in online.

This has enhanced the ease of use for members.

In addition, member enquiry forms are now online to assist in identifying and classifying members' queries and directing them to more information on the website.

Chart 2: Top five online service activities by DFRB and DFRDB members and pensioners

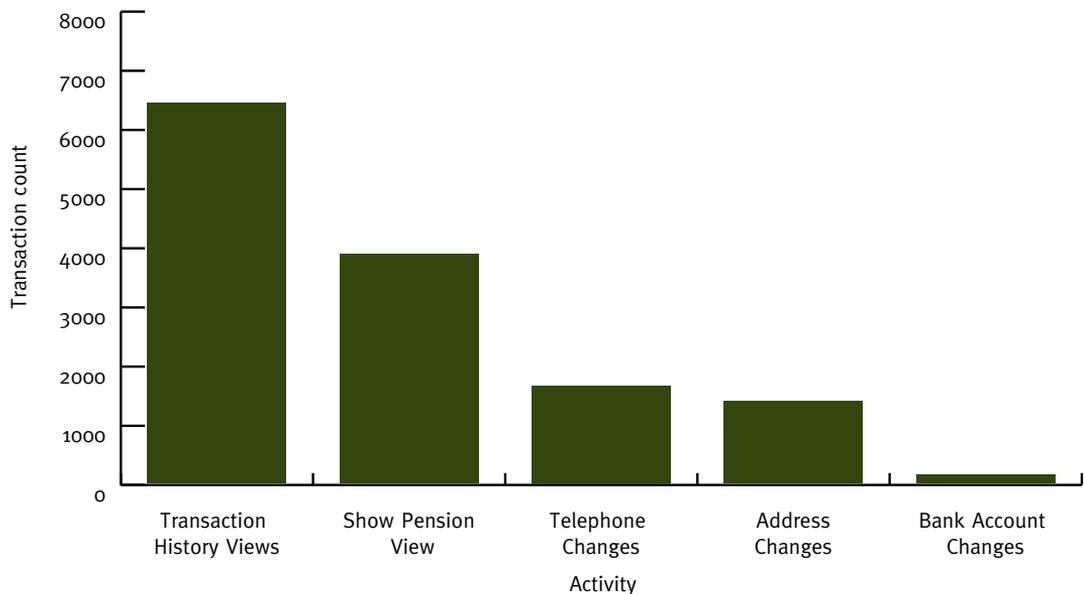


Table 2: Online seminars viewed during 2010–2011

Seminar title	Online format			
	Flash	HTML	Audio	Total
How does invalidity retirement cover work?	506	1404	4	1914
Your Family and Death Benefits	297	819	4	1120
Retirement Benefits-Less than 20 years service	295	361	2	658
Retirement Benefits-More than 20 years service	3	522	18	543
Total	1101	3106	28	



SECTION FIVE

Performance

PERFORMANCE

Customer Information Centre (CIC)

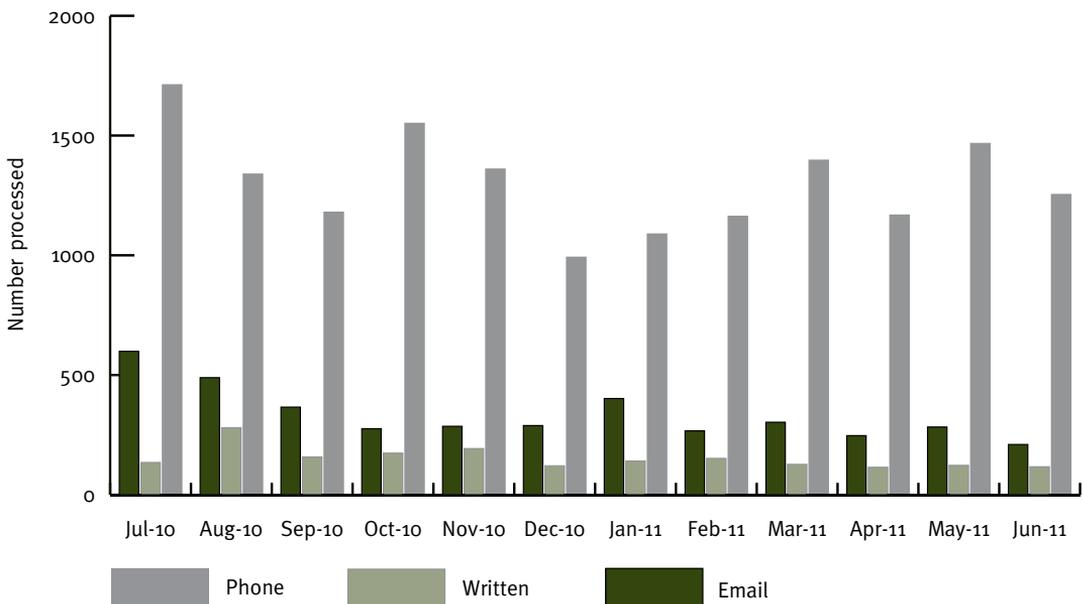
On 9 August 2010, ComSuper merged the three scheme contact centres together to form one CIC to align processes and improve service standards for all Australian Public Service and military scheme members. The CIC continues to offer the following services:

- information about a member's superannuation account or pension
- updating member and pensioner contact information and financial institution details
- written benefit estimates when members are considering exiting the schemes
- access numbers to access online services.

Throughout 2010–2011, Customer Information Representatives were engaged in a range of strategies aimed at enhancing quality and responsiveness to service requirements. These included improvements to quality assurance practices and ongoing improvements to the telephony system. Introduced improvements include:

- call recording implemented on 1 October 2010 for quality control purposes
- skills-based routing implemented on 8 October 2010 to route members' calls to the most appropriately skilled Customer Information Representative
- automatic call-back implemented on 8 November 2010 allowing members to hold their place in the queue without waiting on the phone.

Chart 3: CIC volumes



Benefit payments

All applications for member benefits are processed in accordance with relevant legislation and within the service levels outlined in the Service Level Agreement (SLA).

Chart 4: DFRDB benefit applications processed in 2010–2011

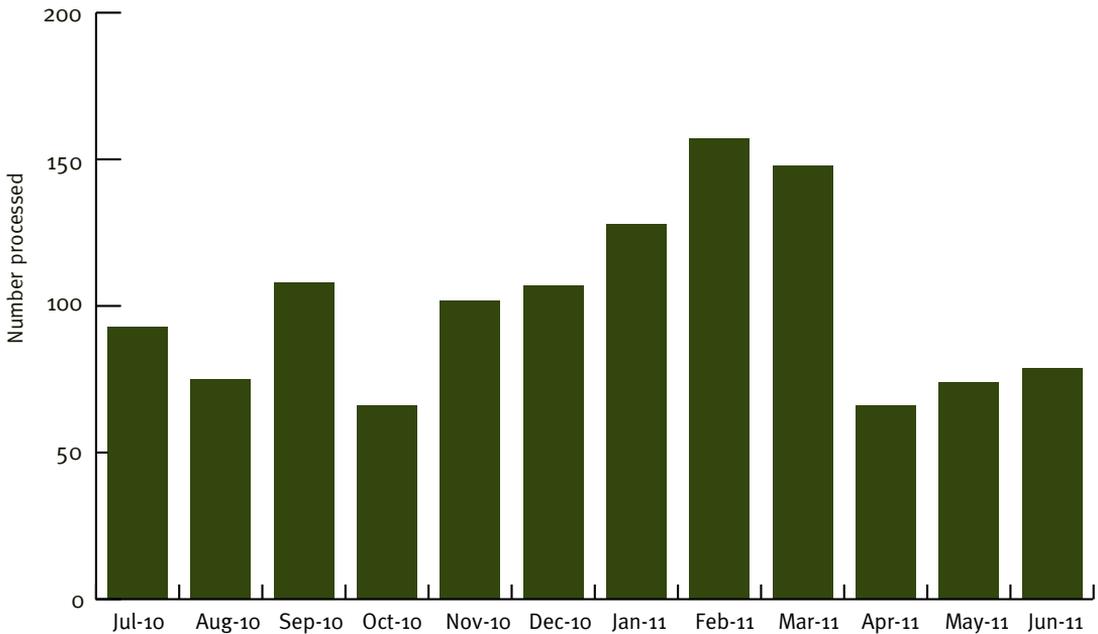
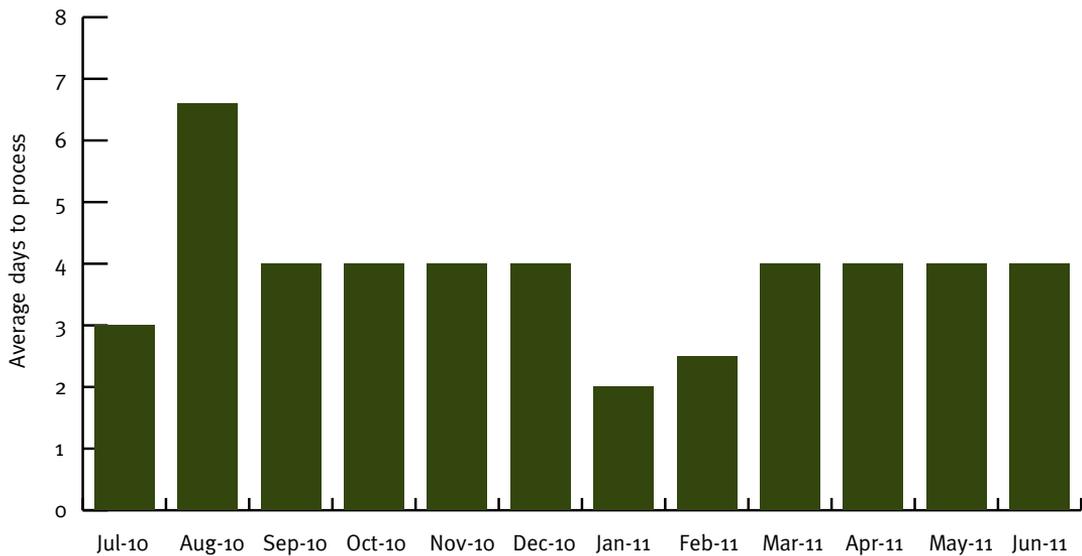


Chart 5: Average time to process routine* benefits in 2010–2011



* Manual (non-routine) benefits take an average of 4.17 days to process.

Internal review – reconsideration

The majority of requests for reconsideration relate to a person's invalidity classification at discharge or at subsequent reviews. Other typical issues include determination of grounds for retirement, scheme membership eligibility, overpayment recovery and spouse entitlements. Reconsideration decisions are made by the DFRDB Authority, and are not delegated.

Table 3: Requests for reconsideration from DFRB and DFRDB members

	2009–2010	2010–2011
Carried over from previous year	18	15
Received	37	26
Finalised	39	30
Affirmed	12	18
Varied in favour of applicant	15	5
Lapsed/withdrawn	12	7
Still under investigation	16	11

External appeals

Applications to the Administrative Appeals Tribunal (AAT) are processed in accordance with the procedures and practices of that body, as provided for in the AAT Act and the practice directions issued by the AAT President.

At 1 July 2010, six matters were on hand. During 2010–2011, nine new applications for review were lodged with the AAT and six matters were resolved.

Of the six matters resolved in 2010–2011, three decisions of the DFRDB Authority were varied by the AAT. The Authority successfully appealed one of these matters to the Federal Court, which remitted the matter back to the AAT for a further hearing, which has not yet been held. Three other matters were withdrawn by the applicant before they reached a hearing.

There were nine ongoing cases at 30 June 2011.

Table 4: Outcomes of DFRB/DFRDB external appeals to the AAT in the past five years

	2006–2007	2007–2008	2008–2009	2009–2010	2010–2011
Decisions affirmed	2	4	3	5	-
Decisions varied	-	1	2	1	3
Decisions set aside	3	1	1	-	-
Decisions conceded	4	2	2	2	-
Applications dismissed/ withdrawn	2	2	3	4	3
Total	11	10	11	12	6

Finalised cases are defined as:

- Affirmed – the decision of the delegate is agreed to
- Set aside – the decision of the delegate is set aside and substituted with a different decision
- Lapsed – the applicant failed to respond within a reasonable timeframe and the case is put on hold; these cases can be reactivated
- Withdrawn – the member requests that their application be discontinued
- Dismissed – the case is dismissed due to a lack of new evidence, or an extension of time is not granted.

Complaints

ComSuper facilitates the prompt processing of all enquiries, complaints and FOI requests within the time frames agreed between the DFRDB Authority and ComSuper. All complaints were assessed as either related to superannuation policy and legislative issues, or customer service delivery.

Table 5: Complaints received 2010–2011

Type	Policy	Service	Total
Complaint	6	29	35
Parliamentary representations/Ministerials	13	4	17
Ombudsman enquiry	1	0	1
Total	20	33	53

Note: Defence responds to the majority of complaints regarding legislation or policy.

Member statements

During 2010–2011 a total of 4233 DFRDB annual member statements were issued. Routine statements were available to view online on 1 October 2010, with hard copies delivered progressively from 1–26 October 2010. Non-routine statements, that require manual calculations, were delivered in late October 2010.

Payment summaries

During 2010–2011 ComSuper sent 54 297 payment summaries to DFRDB pensioners with 4051 sent to DFRB pensioners.

Table 6: FOI requests made under the FOI Act during 2010–2011

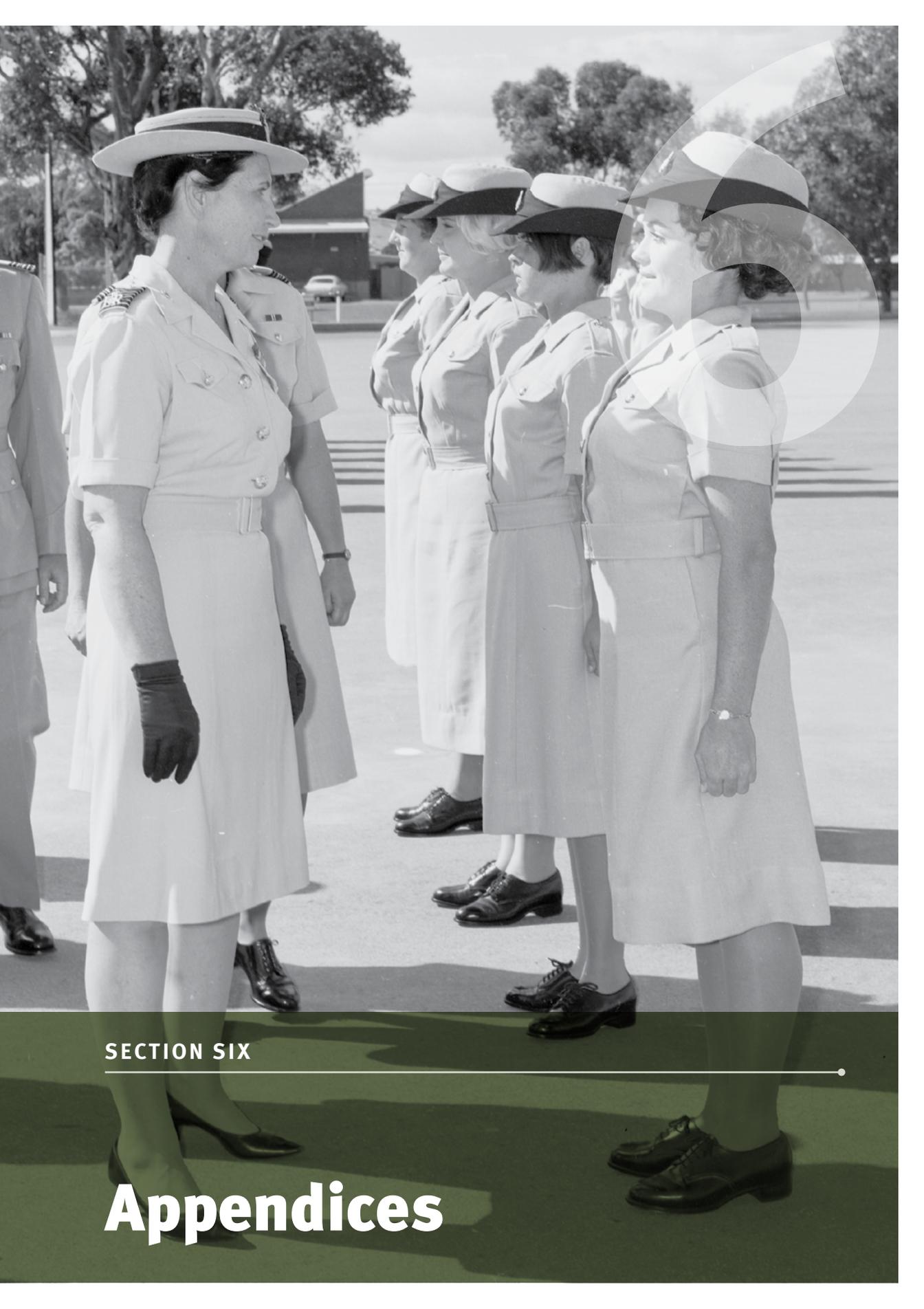
	Number
Received	14
Granted in full	13
Granted partially	1
Withdrawn	0
Refused	0

Family law

ComSuper maintains accounts for DFRDB associate members (for example, former spouses). The cumulative effect of family law splits over time is resulting in a significant number of additional accounts that need to be maintained.

Table 7: DFRDB family law enquiries and processes 2010–2011

	Number
Splits implemented	76
Responses to member enquiries	418
Contributors	136
Preservers	0
Associate preserver accounts maintained	0
Associate pensioner accounts maintained	440



SECTION SIX

Appendices

APPENDIX 1

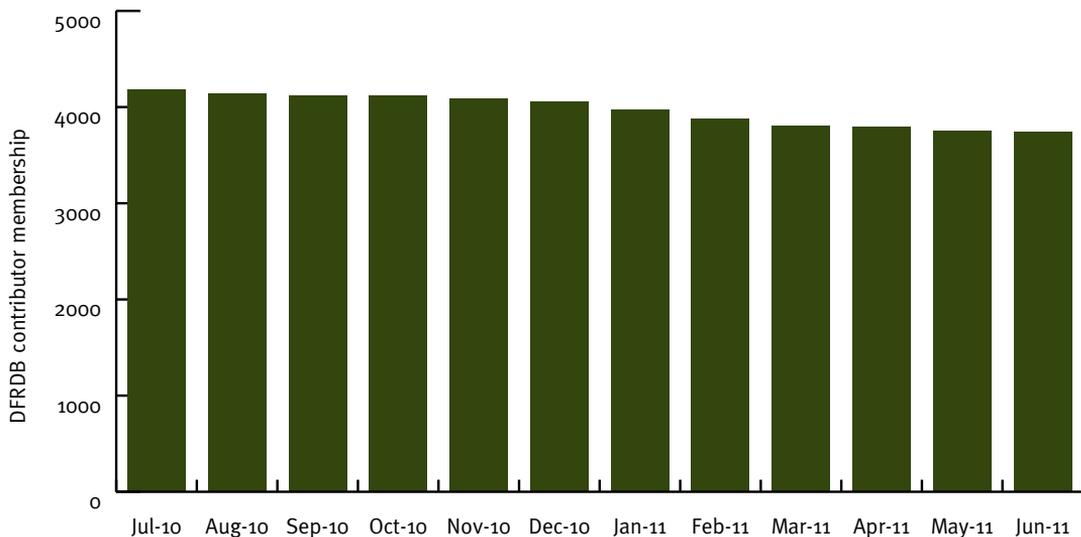
DFRB and DFRDB membership

Table 8: DFRB and DFRDB pensions by type and scheme at 30 June 2011

	DFRB	DFRDB	Total
Retirement	861	43 168	44 029
Invalidity	676	2473	3149
Reversionary			
• spouses	2221	6353	8574
• children and orphans	4	271	275
Redundancy	1	988	989
Total pensions	3763	53 253	57 016
Average pension at 30 June 2011*	\$16 061	\$24 386	

* Includes reversionary pensioners and reduced pensions due to commutation.

Chart 6: DFRDB contributor membership 2010–2011



Note: There are no DFRB contributors

Table 9: Age profile of DFRDB contributors at 30 June 2011 by service type

Age	Navy	Army	Air Force
30–34	0	0	0
35–39	71	218	50
>39	949	1752	703

Table 10: Breakdown of DFRDB contributors in the past five years

	2006–2007	2007–2008	2008–2009	2009–2010	2010–2011
Navy					
Male	1386	1434	1201	1119	980
Female	51	48	44	42	40
Total	1437	1482	1245	1161	1020
Army					
Male	2831	2821	2317	2139	1903
Female	114	101	83	74	67
Total	2945	2922	2400	2213	1970
Air Force					
Male	1130	1165	956	849	733
Female	36	31	29	23	20
Total	1166	1196	985	872	753
All services					
Male	5347	5420	4474	4107	3616
Female	201	180	156	139	127
Total	5548	5600	4630	4246	3743
Contributions received during 2010–2011					\$21 181 613

Table 11: DFRDB re-entered recipients at 30 June 2011

Non-contributing	Contributing
387	580

Note: DFRDB pensioners who re-enter for less than 12 months do not contribute to the scheme, continue to receive a pension and are not eligible for invalidity. DFRDB pensioners who re-enter for greater than 12 months become contributing members, their pension is suspended and they are eligible for invalidity.

Table 12: Number of DFRDB contributors with ancillary payments at 30 June 2011

Type	Number
Additional personal contribution	21
Co-contributions	1594
Superannuation guarantee	3808
Salary sacrifice	264
Transfer in	120
Spouse contributions*	5
Total	5812

* Paid into MilitarySuper

APPENDIX 2

Glossary

AAT	Administrative Appeals Tribunal
ADF	Australian Defence Force
AD (JR) Act	<i>Administrative Decisions (Judicial Review) Act 1977</i>
Ancillary contribution	A voluntary contribution or transfer that a member can make to MilitarySuper for either themselves or on behalf of their spouse
Ancillary benefit	A pension benefit, including a lump sum payment under subsection 32(2) or section 48 and a refund of contributions under section 56
Commutation	Conversion of part of a pension to a lump sum
ComSuper	ComSuper administers DFRDB. Up until 30 June 2011 this was done on behalf of the Defence Force Retirement Death Benefits (DFRDB) Authority. From 1 July 2011, ComSuper will administer DFRDB on behalf of the Commonwealth Superannuation Corporation
Contributor	A member of the Defence Force who is making, or is required to make, or, but for section 18 or 18A, would be required to make, contributions under section 17
CPI	Consumer price index
CRF	Consolidated Revenue Fund
CSC	Commonwealth Superannuation Corporation
DFCAP	Defence Force Case Assessment Panel
DFRB	Defence Forces Retirement Benefits scheme
DFRDB	Defence Force Retirement and Death Benefits scheme. Provides members with an income when they leave the ADF, and also with security during their working life, by covering them and their dependants in the event of their invalidity retirement or death
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 a disorder or condition that caused a member's retirement affects his or her ability to perform appropriate civilian work at time of discharge. This is the basis for determining DFRDB invalidity benefits

Invalidity	A mode of retirement resulting from a disorder or disorders that forces a member to retire from the ADF for medical reasons
MSB Board	Military Superannuation and Benefits Board of Trustees No. 1
MSBS or MilitarySuper	Military Superannuation and Benefits Scheme
OTE	Ordinary Time Earnings. Ordinary time earnings are what employees earn for their ordinary hours of work including over award payments, bonuses, commissions, allowances and certain paid leave. From 1 July 2008 ordinary time earnings, as defined in superannuation guarantee law, must be used to calculate the minimum super guarantee contributions required for eligible employees. This ensures that all eligible employees are treated the same for super guarantee purposes. Superannuation guarantee top up contributions for OTE are paid by Defence, into MilitarySuper as an ancillary benefit, for relevant contributors.
Pensioner	A person in receipt of a regular periodic payment, either by the Government (social security) or as a superannuation benefit
Preservation/preserver	Under certain circumstances, members who leave DFRDB without a pension entitlement can elect not to receive a refund of their contributions. Instead, they may defer/preserve their benefit or transfer it to another eligible superannuation scheme
Productivity	A benefit component for all members, accruing since January 1988 and funded by the Department of Defence
Re-entry	A return to the ADF in the permanent forces or reserves; changing over from the inactive reserve to the active reserves or the permanent forces; continuations or extensions of an existing engagement in the ADF
Reversionary benefit	The benefit payable to eligible spouses and children (including orphan/s) of a contributor, pensioner or preserved benefit member who dies
SIS Act	<i>Superannuation Industry (Supervision) Act 1993</i>
Superannuation Guarantee	Minimum required amount of superannuation that an employer must pay to an employee (including OTE since 1 July 2008)
Surcharge	<i>Superannuation Contributions Tax (Assessment and Collection) Act 1997</i> , a tax on employer financed superannuation contributions for some members. Although surcharge does not apply from 1 July 2005, amounts recorded in surcharge debt accounts must still be paid
Transfer value	An amount paid to an eligible superannuation scheme on behalf of a member who leaves DFRDB without a pension entitlement

APPENDIX 3

List of requirements

While this report is not a Departmental Annual Report, the DFRDB Authority has endeavoured to comply with the Requirements for Departmental Annual Reports where applicable. Details of the Scheme Administrator's (ComSuper's) operations are provided in the *Commissioner for Superannuation 2010–2011 Annual Report* available from www.comsuper.gov.au. Annual reporting requirements that are met in the Commissioner for Superannuation's report are indicated below by an asterisk (*).

Part of report	Description	Requirement	Page reference
	Letter of transmittal	Mandatory	3
	Table of contents	Mandatory	4
	Index	Mandatory	50
	Glossary	Mandatory	43
	Contact officer(s)	Mandatory	2
	Internet and home page address for report	Mandatory	2
Review by Secretary			
	Review by departmental secretary	Mandatory	*
	Summary of significant issues and developments	Suggested	*
	Overview of department's performance and financial results	Suggested	*
	Outlook for following year	Suggested	*
	Significant issues and developments portfolio	Portfolio departments – suggested	*
Departmental Overview			
	Roles and functions	Mandatory	*
	Organisational structure	Mandatory	*
	Where outcome and program structures differ from Portfolio Budget Statements (PBS)/ Portfolio Additional Estimates Statements (PAES) or other portfolio statements accompanying any other additional appropriation bills (other portfolio statements), details of variation and reasons for change	Mandatory	*
	Portfolio Structure	Mandatory for portfolio departments	*

Part of report	Description	Requirement	Page reference
Report on Performance			
	Review of performance during the year in relation to programs and contribution to outcomes	Mandatory	*
	Actual performance in relation to deliverables and Key Performance Indicators set out in PB Statements/PAES or other portfolio statements	Mandatory	*
	Where performance targets differ from the PBS/PAES, details of both former and new targets, and reasons for the change	Mandatory	*
	Narrative discussion and analysis of performance	Mandatory	*
	Trend information	Mandatory	*
	Performance of purchaser/provider arrangements	If applicable, suggested	*
	Significant changes in nature of principal functions/services	Suggested	*
	Factors, events or trends influencing departmental performance	Suggested	*
	Contribution of risk management in achieving objectives	Suggested	*
	Social inclusion outcomes	If applicable, mandatory	*
	Performance against service charter customer service standards, complaints data, and the department's response to complaints	If applicable, mandatory	*
	Discussion and analysis of the department's financial performance	Mandatory	*
	Discussion of any significant changes from the prior year or from budget	Suggested	*
	Agency resource statement and summary resource tables by outcomes	Mandatory	*
	Developments since the end of the financial year that have affected or may significantly affect the department's operations or financial results in future	if applicable, mandatory	*

Part of report	Description	Requirement	Page reference
Management Accountability			
Corporate Governance			
	Agency heads are required to certify that their agency comply with the <i>Commonwealth Fraud Control Guidelines</i>	Mandatory	*
	Statement of the main corporate governance practices in place	Mandatory	12
	Names of the senior executive and their responsibilities	Suggested	11
	Senior management committees and their roles	Suggested	*
	Corporate and operational planning and associated performance reporting and review	Suggested	*
	Approach adopted to identifying areas of significant financial or operational risk	Suggested	*
	Policy and practices on the establishment and maintenance of appropriate ethical standards	Suggested	*
	How nature and amount of remuneration for Senior Executive Service officers is determined	Suggested	*
External Scrutiny			
	Significant developments in external scrutiny	Mandatory	*
	Judicial decisions and decisions of administrative tribunals	Mandatory	23
	Reports by the Auditor-General, a Parliamentary Committee or the Commonwealth Ombudsman	Mandatory	*
Management of Human Resources			
	Assessment of effectiveness in managing and developing human resources to achieve departmental objectives	Mandatory	*
	Workforce planning, staff turnover and retention	Suggested	*
	Impact and features of enterprise or collective agreements, individual flexibility arrangements (IFAs), determinations, common law contracts and AWAs	Suggested	*

Part of report	Description	Requirement	Page reference
	Training and development undertaken and its impact	Suggested	*
	Occupational health and safety performance	Suggested	*
	Productivity gains	Suggested	*
	Statistics on staffing	Mandatory	*
	Enterprise or collective agreements, Individual Flexibility Arrangements, determinations, common law contracts and AWAs	Mandatory	*
	Performance pay	Mandatory	*
Assets management	Assessment of effectiveness of assets management	If applicable, mandatory	*
Purchasing	Assessment of purchasing against core policies and principles	Mandatory	*
Consultants	<p>The annual report must include a summary statement detailing the number of new consultancy services contracts let during the year; the total actual expenditure on all new consultancy contracts let during the year (inclusive of GST); the number of ongoing consultancy contracts that were active in the reporting year; and the total actual expenditure in the reporting year on the ongoing consultancy contracts (inclusive of GST). The annual report must include a statement noting that information on contracts and consultancies is available through the AusTender website.</p> <p>(Additional information as in Attachment D to be available on the Internet or published as an appendix to the report. Information must be presented in accordance with the proforma as set out in Attachment D)</p>	Mandatory	*
Australian National Audit Office Access Clauses	Absence of provisions in contracts allowing access by the Auditor-General	Mandatory	*
Exempt contracts	Contracts exempt from the AusTender	Mandatory	*

Part of report	Description	Requirement	Page reference
Financial Statements	Financial Statements	Mandatory	*
Other Mandatory Information			
	Occupational health and safety (section 74 of the <i>Occupational Health and Safety Act 1991</i>)	Mandatory	*
	Freedom of information for the period 1 July 2010 to 30 April 2011 inclusive (see terms of subsection 8(1) of the <i>Freedom of Information Act 1982</i> as it existed prior to 1 May 2011)	Mandatory	24
	Advertising and Market Research (Section 311A of the <i>Commonwealth Electoral Act 1918</i>) and statement on advertising campaigns	Mandatory	*
	Ecologically sustainable development and environmental performance (Section 516A of the <i>Environment Protection and Biodiversity Conservation Act 1999</i>)	Mandatory	*
	Grant programs	Mandatory	*
	Disability reporting explicit and transparent reference to agency level information available through other reporting mechanisms	Mandatory	*
	Correction of material errors in previous annual report	If applicable, mandatory	50
	List of Requirements	Mandatory	45
Exempt contracts	Contracts exempt from the AusTender	Mandatory	*

APPENDIX 4: CORRECTION TO THE DFRDB AUTHORITY ANNUAL REPORT TO PARLIAMENT 2009–2010

The following error appeared in the 2009–2010 Annual Report.

Appendix 1 DFRDB membership (page 48)

The average annual pension at 30 June 2010 was \$23 549, not \$39 259. This error was corrected via corrigendum dated 29 October 2010.

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Postal address ComSuper
PO Box 22
Belconnen ACT 2616

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Telephone **1300 000 177**

Fax (02) 6272 9001

TTY (02) 6272 9827

Annual report enquiries (02) 6272 9272

General enquiries

Contributors **1300 001 677**

Preserved Benefit Members **1300 001 677**

Pension Recipients **1300 001 877**

Members Overseas **+61 2 6272 9000**

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