



The

**DFRDB Authority**

Defence Force Retirement and Death Benefits

Annual Report  
1996 - 97

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

Annual Report  
1996–97

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## NOTES

**Statistics:** All contribution, benefit, membership and exit statistics are based on events related to the annual reporting period as reflected in the records of the Commissioner for Superannuation at the time these statistics were compiled. As such, the statistics may vary from the records of these events as recorded elsewhere. Where historical statistics are quoted, these may vary from previously published statistics due to the application of retrospective adjustments that are now reflected in this report.

**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 from ComSuper, the term pension is used throughout this Report.

The Hon. Bronwyn Bishop, MP  
Minister for Defence Industry, Science and Personnel  
Parliament House  
Canberra ACT 2600

Dear Minister

In accordance with section 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 1997.

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

(signed)

Christine Goode  
Chairman  
DFRDB Authority

3 October 1997

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<b>Scheme Statistics</b>			
CONTRIBUTORS	<i>at 30 June 1996</i>	<i>at 30 June 1997</i>	<i>Increase (Decrease)</i>
Males	19 511	17 842	(8.6%)
Females	974	890	(8.6%)
<b>Total</b>	<b>20 485</b>	<b>18 732</b>	<b>(8.6%)</b>
PENSIONS IN FORCE	<i>at 30 June 1996</i>	<i>at 30 June 1997</i>	<i>Increase (Decrease)</i>
Age retirement	38 839	39 729	2.3%
Invalidity	2 999	2 990	(0.3%)
Dependants	4 701	4 551	(3.2%)
Act of grace	1	1	—
<b>Total</b>	<b>46 540</b>	<b>47 271</b>	<b>1.6%</b>
EXITS	<i>1995–96</i>	<i>1996–97</i>	<i>Increase (Decrease)</i>
Retirement	1 314	1 314	—
Resignation	593	404	(31.9%)
Invalidity	70	65	(7.1%)
Death	31	10	(67.7%)
<b>Total</b>	<b>2 008</b>	<b>1 793</b>	<b>(10.7%)</b>
OTHER	<i>1995–96</i>	<i>1996–97</i>	<i>Increase (Decrease)</i>
Member contributions received	\$50 078 000	\$48 026 000	(4.1%)
Total benefits paid	\$829 212 522	\$894 773 000	7.9%
Total pensions paid	\$709 898 000	\$772 949 000	8.9%
Average annual pension	\$15 254	\$16 351	7.2%

A comprehensive compendium of statistical tables can be obtained by contacting the ComSuper officer specified on page ii.

## **Introduction**

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The DFRB Scheme, 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 DFRDB Scheme 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 Defence Force 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 Defence Force members since 30 September 1991 have automatically become members of the MSBS. The exception to this is former Defence Force members who have been receiving a DFRDB benefit and on re-entry to the Defence Force choose to rejoin the DFRDB.

## **Responsibilities**

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The Defence Force Retirement and Death Benefits Authority is responsible for the general administration of the DFRDB Act and for certain ongoing provisions of the DFRB Act, subject to the direction of the Minister for Defence Industry, Science and Personnel.

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 Defence Force and Commonwealth employees.

The administration of the MSBS is covered separately in the *Military Superannuation and Benefits Board of Trustees No. 1 Annual Report 1996–97*. Information about ComSuper's operations can be found in the *Commissioner for Superannuation Annual Report 1996–97*.

## **Composition** of the Authority

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.

Under section 9 of the DFRDB Act, the Minister for Defence Industry, Science and Personnel (the Minister) may appoint a person to be the deputy of a member. Mr Ron Whithear continued as Deputy of the Chairman and fulfilled the role of Chairman for most of 1996–97.

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 1996–97 were:

Ms Christine Goode	<i>Chairman</i>
Mr Phillip Charley	<i>Deputy Chairman</i>
Captain Phillip Mead RAN	<i>Nominee of the Chief of Navy</i>
Colonel Peter Bysouth DFC	<i>Nominee of the Chief of Army</i>
Mr Andre Bobets	<i>Nominee of the Chief of Air Force</i>
Mr Ron Whithear	<i>Deputy of the Chairman (and Chairman until 6 April 1997)</i>



### THE DFRDB AUTHORITY

*Standing (l-r),* Captain Phillip Mead, Mr Ron Whithear, Mr Andre Bobets, Colonel Peter Bysouth.

*Seated (l-r),* Ms Christine Goode, Mr Phillip Charley.

## **Description** of the Scheme

The DFRDB Scheme is a fully defined unfunded superannuation scheme that was closed to new members on 1 October 1991 following the introduction of the MSBS.

Members of the ADF who were commissioned or who enlisted before 1 October 1991, or who are re-entered recipients and have not elected to transfer to the MSBS, contribute under the DFRDB Scheme at the rate of 5.5% 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% Productivity and Superannuation Guarantee arrangements, members have no entitlement to an employer element if they resign before completing 20 years' service. Unlike most other superannuation schemes, age at retirement plays only an incidental part in the process of calculating benefit entitlements; the key to the scheme is the length of the member's effective service. 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 for DFRDB purposes on retirement. Members who are retired from the Defence Force on invalidity grounds may also be entitled to a pension.

Members with less than 20 years' service or who have not reached their compulsory retiring age for rank are entitled to a refund of contributions, a productivity benefit funded by the Department of Defence and, if applicable, an unfunded gratuity based on completed years of service.

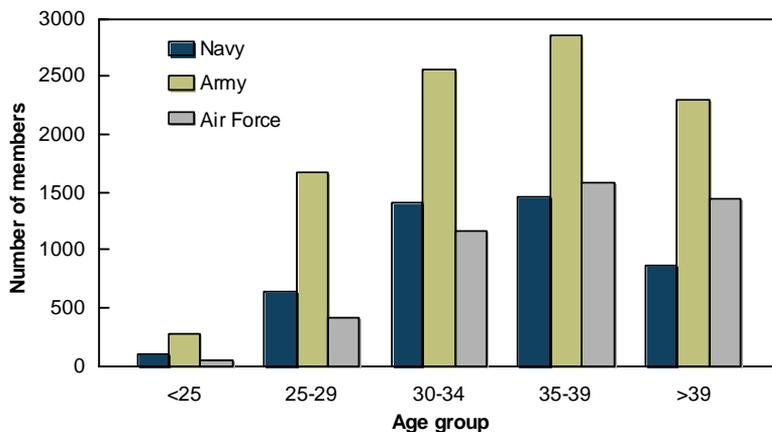
## **Contributors**

In the year after the Scheme's closure in 1991, its contributor population dropped dramatically as members transferred to the MSBS. As exiting members have not been replaced, the number of contributors has continued to fall. This trend continued in 1996–97 with the number of contributors falling by 8.6%, to 18 732 at 30 June 1997. Forty people who were receiving a DFRDB benefit re-entered the Defence Force during the year and elected to contribute to the Scheme.

Table 1 DFRDB contributors since 1992–93

	1992–93	1993–94	1994–95	1995–96	1996–97
<b>NAVY</b>					
male	6 151	5 724	5 200	4 671	4 231
female	300	281	260	239	220
<i>Subtotal</i>	<i>6 451</i>	<i>6 005</i>	<i>5 460</i>	<i>4 910</i>	<i>4 451</i>
<b>ARMY</b>					
male	13 260	12 115	10 974	9 997	9 178
female	659	604	552	501	461
<i>Subtotal</i>	<i>13 919</i>	<i>12 719</i>	<i>11 526</i>	<i>10 498</i>	<i>9 639</i>
<b>AIR FORCE</b>					
male	6 172	5 593	5 234	4 843	4 433
female	306	286	259	234	209
<i>Subtotal</i>	<i>6 478</i>	<i>5 879</i>	<i>5 493</i>	<i>5 077</i>	<i>4 642</i>
<b>ALL SERVICES</b>					
male	25 583	23 432	21 408	19 511	17 842
female	1 265	1 171	1 071	974	890
<b>Total</b>	<b>26 848</b>	<b>24 603</b>	<b>22 479</b>	<b>20 485</b>	<b>18 732</b>

Chart 1 Age profile of contributors at 30 June 1997, by Service



## Exits

On leaving the DFRDB, members receive either a pension or a refund. Those who leave the Defence Force after 20 years' effective service, or after 15 years at retiring age for rank, are entitled to a pension, as are members who leave on invalidity grounds and who receive an A or B classification (see page 10). Eligible dependants of a member who dies can elect to receive a pension. All other members receive a refund and a gratuity, if applicable. All members are entitled to a productivity benefit funded by the Department of Defence.

In 1996–97, 1793 members left the Scheme. Of these, 1377 left with a pension entitlement, the remainder left with a refund entitlement. Nineteen (1.4%) fewer members left the Scheme with a pension entitlement than in 1995–96. There were 196 (or 32%) fewer members who left with a refund entitlement than in 1995–96. Chart 2 compares the number of exits with and without a pension entitlement since 1992–93, while Charts 3 and 4 give a breakdown of the major modes of exit—with and without pension entitlement—during 1996–97.

Chart 2 Annual exits since 1992–93 showing pensions and refunds

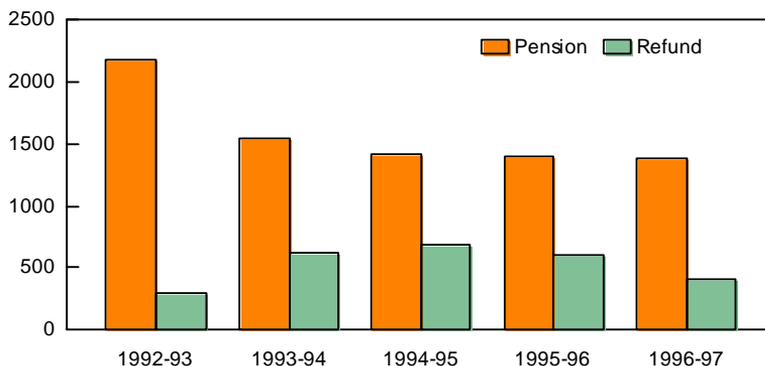


Chart 3 Exits during 1996–97 with a pension entitlement

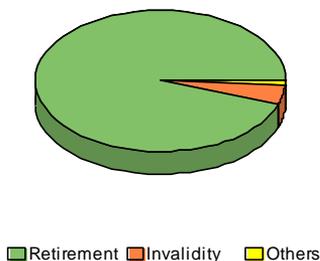
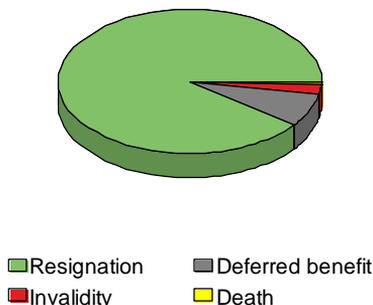


Chart 4 Exits during 1996–97 without a pension entitlement



## Beneficiaries

Beneficiaries in 1996–97

Table 2 shows the total amount of benefits (including lump sums) paid to beneficiaries in 1996–97, compared with the previous four years.

Table 2 Benefits paid 1992–93 to 1996–97					
Benefit type	1992–93 (\$'000)	1993–94 (\$'000)	1994–95 (\$'000)	1995–96 (\$'000)	1996–97 (\$'000)
Pension payments	636 095	666 511	688 973	709 898	772 949
Lump-sum payments	59	37	125	137	66
Refunds of contributions	1 752	6 623	7 755	7 079	6 115
Commutation payments	116 908	128 661	104 656	111 234	115 125
Transfer values	199	152	274	864	518
<b>Total benefits paid</b>	<b>755 013</b>	<b>801 984</b>	<b>801 783</b>	<b>829 212</b>	<b>894 773</b>

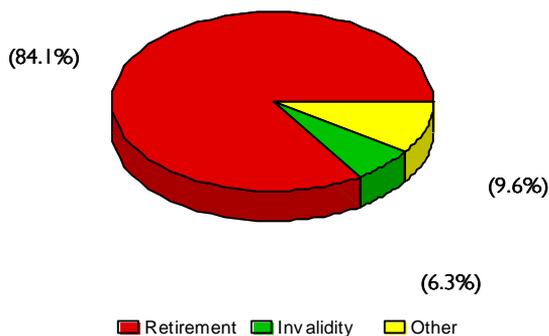
Note: These figures have been rounded and so may not add correctly.

Pensions in force at 30 June 1997

At 30 June 1997, 47 271 people were receiving pensions under DFRDB and DFRB legislation. This represents an overall increase of 731 (or 1.6%) from 30 June 1996.

Table 3 Pension payments by type and Scheme during 1996–97			
Type of Pension	DFRB	DFRDB	Total
Retirement	2 655	37 074	39 729
Invalidity	1 053	1 937	2 990
Reversionary			
- spouses	2 175	1 920	4 095
- children	12	444	456
Act of grace	1	0	1
<b>Total pensions</b>	<b>5 896</b>	<b>41 375</b>	<b>47 271</b>

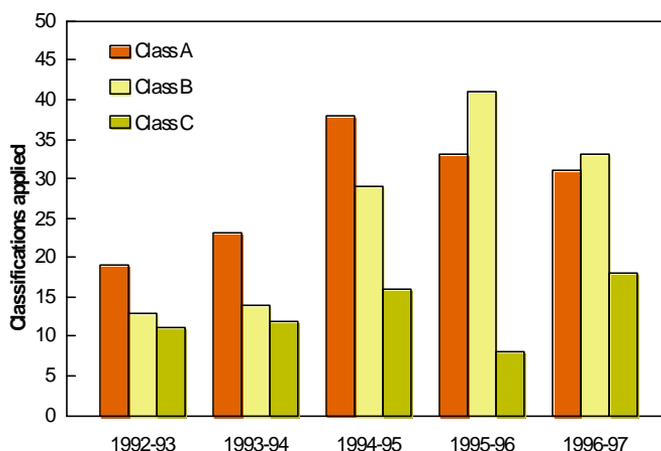
Chart 5 Pensions in force at 30 June 1997



### Invalidity Benefits

Defence Force personnel who are retired on the grounds of invalidity are classified by the extent of their incapacity to perform appropriate civilian work. There are three classifications: A (60% or greater incapacity); B (30%–59% incapacity); and C (less than 30% incapacity). Members who receive an A or B classification are entitled to a pension and a productivity payment. Members who are classified as C receive a refund of 1.5 times their contributions, and a productivity payment. Class C members may also receive a gratuity.

Chart 6 Comparison of new invalidity classifications since 1992–93



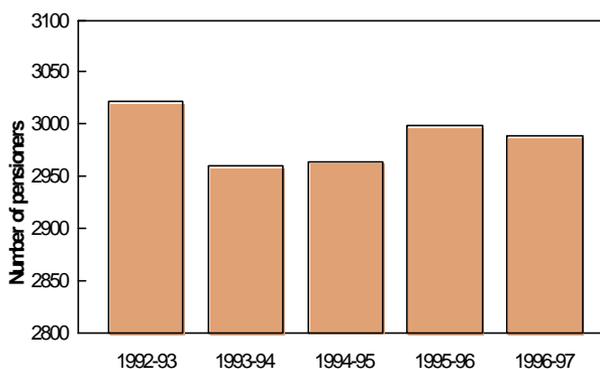
The classifications of 82 invalidity retirees were determined during 1996–97, the same as in 1995–96. Of these, 31 were classified as Class A, 33 as Class B and 18 as Class C.

At 30 June 1997, 2990 former members were receiving invalidity pensions under the DFRB and DFRDB Acts.

#### Retrospective invalidity entitlement

Members who retire from the Defence Force for reasons other than ill-health may be entitled to have their retirement retrospectively treated as an invalidity retirement. During 1996–97, the Authority considered four cases under the provisions of the DFRB Act and seven cases under the provisions of the DFRDB Act. All four DFRB cases and five of the DFRDB cases were treated, in retrospect, as if they had been retired from the Defence Force on the grounds of invalidity.

Chart 7 Number of invalidity pensioners since 1992–93



#### Reversionary benefits

Reversionary benefits are payable on the death of a member to the member's eligible dependants.

#### Spouses' benefits

At 30 June 1997, 4095 spouses were receiving pensions under the DFRB and DFRDB Acts, 13 of which commenced in 1996–97.

#### Children's and orphans' benefits

At 30 June 1997, 456 children and orphans were receiving pensions under the provisions of the DFRB and DFRDB Acts. During the year, 65 new children's and orphans' pensions commenced.

### Gratuities

Certain members who leave the DFRDB without an entitlement to a pension are entitled to a refund of their contributions plus a gratuity. Gratuities totalling \$238 180 became payable to members who exited during 1996–97.

### Commutation

Members retiring from the Defence Force may commute (i.e. exchange) part of their retirement pension for a lump sum. During 1996–97, retiring members could receive a maximum commutation lump sum of up to 4.7 times their retirement pay. Members may elect to commute up to three months before their date of retirement (effective on retirement) or within one year after retirement. During the year, 1341 members elected to commute part of their pension: initial commutation payments totalled \$113 426 439. An additional 192 members had a retrospective adjustment made to an earlier commutation.

People who are entitled to a spouse's benefit may also elect to commute their pension. There were twelve such elections during 1996–97: payments in these cases totalled \$897 036.

### '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, ten elections were accepted under the 'no-detriment' provisions. At 30 June 1997, 1082 members were receiving retirement pay under these provisions. Reversionary benefits being paid under the no-detriment provisions had increased to 119 at 30 June 1997.

### Re-entered recipients

At 30 June 1997, 239 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 67 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 government employment within 90 days of their exit date. When their combined Defence Force and government service reaches 20 years, they become entitled to a DFRDB pension. Thirty-one members elected to defer their entitlements in the Scheme in 1996–97. Forty-five deferred benefits became payable to members with 20 years' combined Defence Force 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. 'Eligible' superannuation schemes are generally linked to government employment. Once a benefit is transferred to another scheme, the member benefit entitlements are determined by that scheme. During 1996–97, transfer values totalling \$518 474 were paid to eligible superannuation schemes.

The DFRDB Authority has delegated its responsibility for the day-to-day administration of the DFRDB Scheme to ComSuper. ComSuper's aim is to administer the Scheme through the establishment and maintenance of computer systems and administrative procedures that:

- provide a service that is reliable, helpful and timely to its clients;
- meet external review requirements;
- are efficient and cost-effective; and
- respond quickly and flexibly to the need for change, whether internally generated or externally imposed.

## Human resources

ComSuper dedicates specific teams to the administration of the Defence Force schemes and has developed computer systems tailored to assist in calculating benefits. A telephone advisory service has been established to provide a convenient access point for members who want information about their membership. There is also a team dedicated to invalidity classification, while reconsideration and review functions for the Authority are carried out by a unit which deals with the review of both military and civilian cases. More information about ComSuper's operations can be found in the *Commissioner for Superannuation Annual Report 1996–97*.

## Financial resources

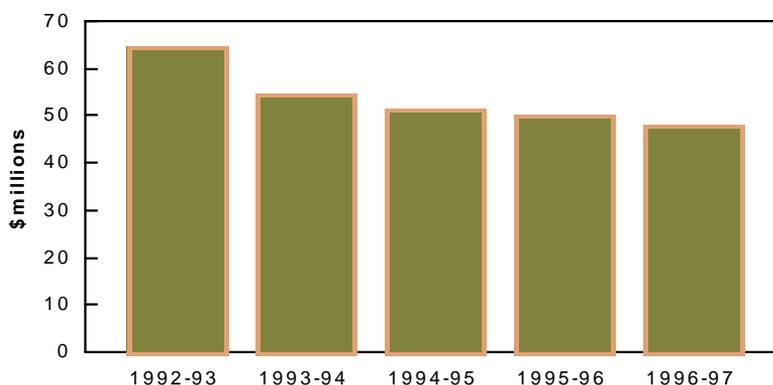
Financial resources for the payment of pensions and lump-sum benefits are provided from the DFRB and DFRDB special appropriation, which is held by the Department of Defence. Contributions by members of the DFRDB Scheme are paid into revenue item 'Superannuation (DFRDB)—payments by members received',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

Costs incurred by ComSuper in administering the DFRB and DFRDB Schemes during 1996–97 were \$3 881 000. This figure represents the total cost of ComSuper's services and is calculated on a full accrual accounting basis.

## Contributions

Contributions received during 1996–97 totalled \$48 026 000, a 4.1% fall from 1995–96 and a fall since 1992–93 of about 25%. As a comparison, the contributor population has dropped by about 30% since 1992–93.

Chart 8 Annual contributions received since 1992–93



### Debtors

At 30 June 1997, \$265 157 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.

## **Payment** of benefits

Pensions and lump-sum benefits are paid directly to financial institutions. The performance measurement for benefit payment is for 85% of payments to be made within eight working days, and 95% within 13 working days.

The 13-day target was achieved in all monthly reporting periods during 1996–97. Apart from the month of January, which is the peak period for exits, the eight-day target was also achieved in all monthly reporting periods. The average time taken to process a benefit during 1996–97 was around 3½ days, compared with 4½ days in 1995–96 and five days in 1994–95.

### Annual pension increase

Pension adjustments are based on the movement of the Consumer Price Index (CPI) for the 12 months to 31 March and paid on the first pension payday in the following July. The 1996 adjustment was based on a 3.7% increase in the CPI. All 1996 adjustments were made on schedule, on 4 July 1996. The 1996 adjustment led to an additional annual liability of \$26 881 899. The 1997 adjustment was based on a 1.3% increase in the CPI and is anticipated to lead to an additional liability of \$9 974 499.

## **Invalidity** classification

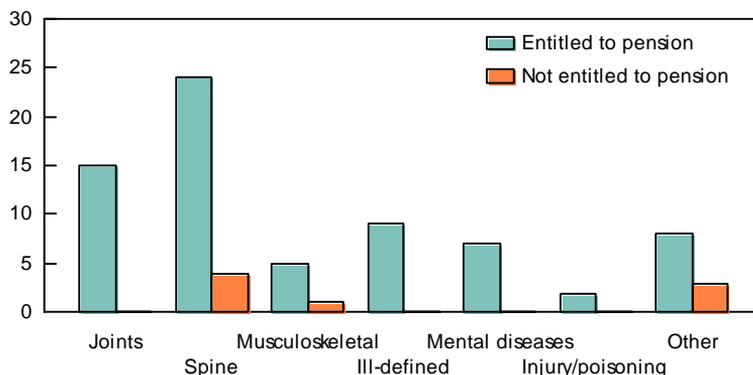
A member of the Scheme who is retired on the ground of invalidity (that is, a physical or mental incapacity to perform his or her duties) is eligible for invalidity benefits. The rate of invalidity benefit depends on the member's level of incapacity to undertake appropriate civilian employment at that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

The determination and review of benefits payable to members who retired from the Defence Force as medically unfit for further service is a major function of the Scheme's administration. The Authority carries out regular reviews, taking 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.

### Causes of invalidity retirement

The most common causes of invalidity retirement during 1996–97 were musculoskeletal disorders particularly disorders of the spine. Nearly 40% of the invalidity retirements during the year were a result of a spinal disorder. A comparison of the major causes of invalidity retirement is given in Chart 9.

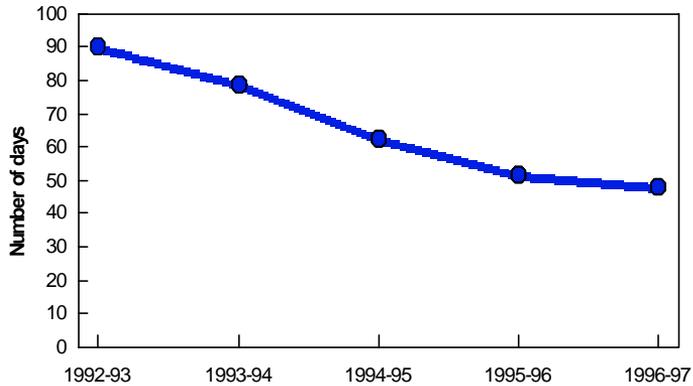
Chart 9 Causes of invalidity retirements during 1996–97



### Invalidity decision timeframe

Invalidity classifications took an average of 48 days to finalise during 1996–97. The time taken to process an invalidity classification has been falling since 1992–93, when the average time to determine a classification was 90 days.

Chart 10 Average time taken to determine new invalidity cases

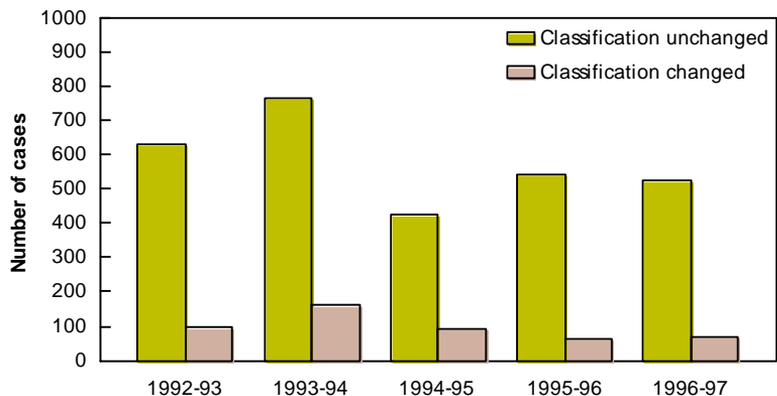


## **Invalidity** review

The cases 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 1996–97, 591 invalidity cases were reviewed, compared with 601 in 1995–96 and 521 in 1994–95. Of the classifications examined in 1996–97, 66 were changed: 42 of these were increased and 24 were reduced. Chart 11 breaks down the cases that have been reviewed since 1992–93.

Chart 11 Results of invalidity reviews since 1992–93



## **Internal** reconsideration

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 before the Authority and contains the reasons for the decision.

Most of the Authority's powers and functions under both Acts have been delegated to ComSuper staff, who take the majority of primary decisions. Many primary decisions are taken after consideration by the Committee of Alternates. This Committee consists of the deputies of the members of the Authority (other than the deputy of the Chair). Its meetings are chaired by a ComSuper officer with particular expertise in invalidity assessment.

Thirty-nine requests for reconsideration were received during the year, a fall from previous years, adding to the 46 carried over from 1995–96. Of the 55 cases finalised during the year, the Authority confirmed 22 decisions on reconsideration, while 22 were varied in favour of the applicants. Another 11 lapsed because the applicant failed to pursue the matter. Thirty requests remained under investigation at 30 June 1997.

Most requests for reconsideration concern the amount of invalidity benefit payable. In 1996–97, 58% of reconsideration requests related to such decisions.

The reconsideration process involves the assembly of information additional to that available to the delegate. Consequently, the process can be protracted. This is particularly the case where delays occur awaiting responses to information requests, such as in medical cases where specialist opinion is required. In spite of this, the majority of cases (82%) were completed within 12 months. Table 4 shows the time taken to finalise cases in 1996–97.

Table 4 Time taken to reconsider cases finalised in 1996–97

Case type	Months				
	0–6	7–12	13–18	19–24	>24
Definition of widow	2	1	0	0	0
Initial invalidity classification	6	3	0	0	0
Review of invalidity classification	11	7	4	0	0
Other	12	3	3	2	1
<b>Total finalised</b>	<b>31</b>	<b>14</b>	<b>7</b>	<b>2</b>	<b>1</b>

**External** review

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The DFRDB Act provides that applications may be made to the Administrative Appeals Tribunal (AAT) for review of decisions made by the Authority on reconsideration. If the Authority's decision is adverse to the applicant, information about the right to apply for review by the AAT is included with 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* (the AAT Act) and practice directions issued by the AAT President.

The *Administrative Decisions (Judicial Review) Act 1977* (the AD(JR) Act) entitles a person aggrieved by an administrative decision taken under Commonwealth legislation to seek an order for review of the decision in the Federal Court on grounds specified in that Act. The provisions of the AD(JR) Act apply to primary decisions made under the DFRB and DFRDB Acts, as well as to reconsideration decisions, and therefore can offer an alternative to reconsideration by the DFRDB Authority and review by the AAT. In addition, section 44 of the AAT Act provides that a party to a proceeding before the AAT may appeal to the Federal Court on a question of law arising from any decision of the AAT in that proceeding.

## Administrative Appeals Tribunal

During 1996–97, eight applications were made to the AAT in addition to the nine that were carried over from the previous year. Of the 13 applications resolved during the year, the Authority's decision was affirmed in four cases, while two others were decided in the applicant's favour. One case was conceded without the AAT proceeding to hearing, after additional evidence was produced by the applicant during the preliminary stage of the case. Three cases were dismissed by the AAT following the applicant's withdrawal of their application for review. The AAT had no jurisdiction in two matters because the decisions in question were not reviewable decisions and in another case resolved the AAT denied the applicant an extension of time to lodge an application for review. Four cases were receiving attention at 30 June 1997.

Of significance during the year was an AAT decision in *Re Davina and DFRDB Authority (1996)* 43 ALD 761. That case concerned the interrelationship between the Authority and the DFRB Board established under the DFRB Act. The applicant had been retired from the Defence Force on invalidity grounds and classified as Class C. As a result of the repeal, in 1972, of the appeals provision in section 83 of the DFRB Act, the applicant had no right of review. The Authority considered the matter in 1995 with a view to determining whether to recommend an Act of Grace payment. The applicant sought review of

the Authority's decision not to make such a recommendation. The Tribunal held that it had no jurisdiction on the matter as considerations by the Authority on whether or not to recommend an Act of Grace payment pursuant to the *Audit Act 1901* could not be a 'decision of the Authority' for the purposes of section 99 of the DFRDB Act.

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. One appeal was lodged with the Federal Court during 1996–97 but was subsequently withdrawn.

Judicial review

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 or requests for a statement of reasons under the AD(JR) Act in respect of decisions made under either the DFRB or DFRDB Acts during 1996–97.

## **Member** communication

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The Authority aims to provide members and Service administrators with comprehensive information about all aspects of the DFRDB Scheme.

Communication is by means of correspondence, individual counselling and presentations given at Defence resettlement seminars and other seminars at Defence Force 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 28 contains a list of currently available publications.

A telephone advisory service is also provided, through which members can obtain benefit estimates as well as general information about the Scheme and their membership.

More recently, steps have been taken to begin including information about the DFRDB Scheme on ComSuper's Internet Web site, which is accessible to members and to Defence Force administrative personnel. When complete, it is envisaged that the Web site will contain all information now available in leaflet and booklet form, as well as the Annual Report and a copy of the Ready Reckoner (a computer program that allows members to get an approximate calculation of their benefits).

The Military Superannuation Communications Advisory Group

In April 1996, a group known as the *Military Superannuation Communication Advisory Group* (MSCAG) was established to ensure the effective and timely provision of quality information and education on superannuation matters to ADF members. Members of MSCAG include representatives from the Department of Defence, the Defence Force and ComSuper. MSCAG's role is:

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

MSCAG met monthly during the year. Apart from monitoring ongoing communication issues such as members' information statements, the Annual Report and *Military Super News*, MSCAG oversaw the production of a new leaflet, *About to Leave the ADF?*, which was introduced in early July 1997. This leaflet contains a range of information that might be useful to personnel contemplating leaving the Defence Force.

Counselling and information activities

Apart from the number of sessions held specifically for DFRDB members, there was little change in the counselling and information activities from 1995–96.

During the year, ComSuper staff issued 2952 retirement advice letters and provided personal counselling for 65 members. Presentations were given at 27 resettlement seminars attended by 4995 people (both DFRDB and MSBS members). Thirty nine sessions were held specifically for DFRDB members—these were attended by 879

members—while another eight sessions were held for both DFRDB and MSBS members, attended by 425 members from both Schemes. Four procedural courses were conducted for military administrative staff and attended by 69 people. These courses were primarily conducted at the same time as resettlement seminars. There was also one retrenchment seminar held during the year, which was attended by 35 members.

ComSuper's Interactive Voice Response telephone system continued to prove itself as an effective element of ComSuper's strategy for providing information and improved service to members. During the year, 44 811 calls were received from members of both military schemes (the system does not differentiate between DFRDB and MSBS enquiries for recording purposes).

## **Freedom** of Information

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All requests for documents and amendments of personal records are handled by ComSuper's Freedom of Information (FOI) Unit.

### Facilities for access

Facilities for viewing documents are provided only at ComSuper's office in Canberra, as neither ComSuper nor the DFRDB Authority has regional offices. 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 FOI Unit at the address given on page 24. Information about facilities for access by people with disabilities can also be obtained by contacting ComSuper's FOI Unit.

### Requests

During the year, the Authority received 93 requests for access to documents, down from the 170 requests in 1995–96. The large number of requests in 1995–96 was due largely to requests relating to the HMAS Voyager disaster. No requests were brought forward from last year and none were outstanding at 30 June 1997. All the requests received were for documents of a personal nature, most being requests for access to medical reports.

### Disclosure

All of the 93 requests processed during the year were granted in full. The average time taken to finalise a request was 7.2 days, down from nine days during 1995–96.

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 \$2 790 were waived pursuant to section 30A of the FOI Act.

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

Enquiries

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

The Freedom of Information Unit  
ComSuper  
PO Box 22  
Belconnen ACT 2616

Facsimile: (02) 6252 6948  
Telephone: (02) 6252 7514  
TTY: (02) 6253 2911

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## Legislation

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The only amendment to either the DFRDB Act or the DFRB Act during 1996–97 was a consequential amendment resulting from the *Defence Legislation Amendment Act (No. 1) 1997*, which altered the titles of the three Service Chiefs.

## Publications

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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.

A leaflet, *About to Leave the ADF?*, was introduced in early July 1997. This leaflet is aimed at members who are close to leaving, or who are contemplating leaving the Defence Force. It covers a range of topics, including information about benefit payments, Social Security services and contact numbers at ComSuper.

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

- Appeals Provisions*
- Dependants' Benefits*
- Invalidity Benefits*
- Preserved Benefits*
- Retirement Benefits*
- Taxation of Benefits*

All of these publications can be obtained from members' Pay Offices or directly from ComSuper.

## Contact **officer**

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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

*Telephone:* (02) 6252 5893  
*Facsimile:* (02) 6253 1116  
*TTY:* (02) 6253 2911

# Glossary

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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
employer benefit	<i>see</i> productivity
FOI	Freedom of Information
gratuity	a one-off bonus payment paid to some members on resignation. It is usually only paid to other ranks
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 closed
preservation	strictly speaking, this term is not a part of the DFRDB Scheme. The term is used colloquially and for convenience 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
SCT	Superannuation Complaints Tribunal
SGC	Superannuation Guarantee Charge
SRC	<i>Superannuation (Resolution of Complaints) Act 1993</i>
Superannuation Guarantee	<i>see</i> SGC
transfer value	an amount paid to an eligible superannuation scheme on behalf of a member who leaves the DFRDB without a pension entitlement

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## Compliance **details**

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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 1996–97*. Annual reporting requirements that are met in the Commissioner for Superannuation’s report are indicated below by an asterisk.

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