



THE **Defence Force Retirement**  
AND **Death Benefits Scheme**

ANNUAL REPORT OF THE DFRDB AUTHORITY | 1999  2000

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## NOTES

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

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

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

Dear Minister

In accordance with 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 2000.

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

Yours faithfully



Christine Goode  
Chairman  
DFRDB Authority

21 September 2000

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# about the dfrdb scheme

## Establishment of the Scheme

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

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

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

# Description of the Scheme

The DFRDB Scheme is a fully defined unfunded superannuation scheme.

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

Other than in the case of the separate 3 per cent Productivity and Superannuation Guarantee arrangements, members have no entitlement to an employer element if they resign before completing twenty years service. Unlike most other defined benefit superannuation schemes, age at retirement plays only an incidental part in calculating benefit entitlements; the key to the scheme is the length of the member's effective service. Members who retire from the ADF after twenty years of effective service (or after fifteen years service at retirement age for rank) are entitled to a pension, based on a percentage of their annual pay on retirement. Members who are retired from the ADF on invalidity grounds may also be entitled to a pension. Benefits are also payable to the surviving eligible spouse and children on the death of a member or pensioner.

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



# The DFRDB Authority

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

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

The administration of the MSBS is covered separately in the *Military Superannuation and Benefits Board of Trustees No. 1 Annual Report 1999–2000*. Information about ComSuper's operations can be found in the *Commissioner for Superannuation Annual Report 1999–2000*.

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

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

Members of the Authority during 1999–2000 were:

Ms Christine Goode	Chairman
Mr Phillip Charley	Deputy Chairman
Captain Davyd Thomas	Nominee of the Chief of Navy
Colonel Michael Hannan	Nominee of the Chief of Army
Colonel Geoffrey Beck	Nominee of the Chief of Army
Mr Andre Bobets	Nominee of the Chief of Air Force

Colonel Geoffrey Beck replaced Colonel Hannan as Nominee of the Chief of Army on 18 October 1999.



### **The DFRDB Authority**

Standing (L-R):        Captain Davyd Thomas, Mr Andre Bobets and Colonel Geoffrey Beck  
Seated (L-R):        Ms Christine Goode and Mr Phillip Charley

Colonel Beck replaced Colonel Michael Hannan on 18 October 1999.

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

## Administrative Agreement

In September 1999 the Authority entered into a revised agreement with ComSuper for the provision of administrative services, following a review (see Annual Effectiveness Review on page 7).

The new agreement more comprehensively covered the full range of services provided, and lifted the standards in a number of cases.

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

## Delegations

In recent years, the Authority adopted a practice whereby relevant powers were delegated to the Commissioner for Superannuation who in turn authorised ComSuper staff to exercise powers for and on her behalf. This practice streamlined the delegation process and allowed faster updating of authorisations to accommodate changes

A recent legal opinion cast doubt on this practice. Consequently, the Authority has resumed the practice of delegating relevant powers direct to ComSuper staff.

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

## Status under the SIS legislation

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

It is therefore not necessary for the DFRDB Authority to elect that the Scheme become a Regulated Superannuation Fund subject to the prudential requirements in the SIS

legislation, although the Authority endeavours to comply with the spirit of the SIS legislation. The DFRDB is however subject to the Tax File Number and rollover/transfer requirements in the SIS legislation that apply to Exempt Public Sector Superannuation Schemes.

## **Military Superannuation Communication Advisory Group (MSCAG)**

The Authority uses the MSCAG to assist with, monitor and improve the effectiveness of communication with its members. The MSCAG was established in 1996 and the Chairman is WOFF Robert Swanwick. Members include representatives from the Department of Defence, the ADF and ComSuper. The MSCAG's role is to:

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

The MSCAG met regularly throughout the year.

The communication of information on the superannuation surcharge was again a high priority for the MSCAG during the year. DFRDB members received their first notifications of surcharge assessments in February 2000. Considerable efforts were made to keep members informed about their surcharge assessments.

## **Year 2000 readiness**

The DFRDB Authority met all requirements for year 2000 readiness. This required:

- checking that computer systems used to deliver services continued to function properly before, during, and after 2000; and
- having appropriate contingency plans in place to maintain critical services if problems did occur and quickly repairing such problems.

Throughout 1999 the Authority closely scrutinised the progress and adequacy of its administrator's year 2000 readiness project. External review of the project and the related business continuity plan was also undertaken.

No problems were experienced as a result of the transition to the year 2000.

## Annual Effectiveness Review

In September 1999 the Authority considered a report from ComSuper on the efficiency and effectiveness of the systems and procedures used in the administration of the DFRDB Scheme. The Authority considered that ComSuper had delivered good quality superannuation services, and was effective in terms of timeliness, cost and client satisfaction. It particularly noted improvements in the delivery of services such as processing of invalidity cases and distribution of annual statements. The Authority endorsed higher standards of service for the call centre to reach, and tighter timeframes for future distribution of annual statements, and entered into a new Agreement on Services and Standards with ComSuper.

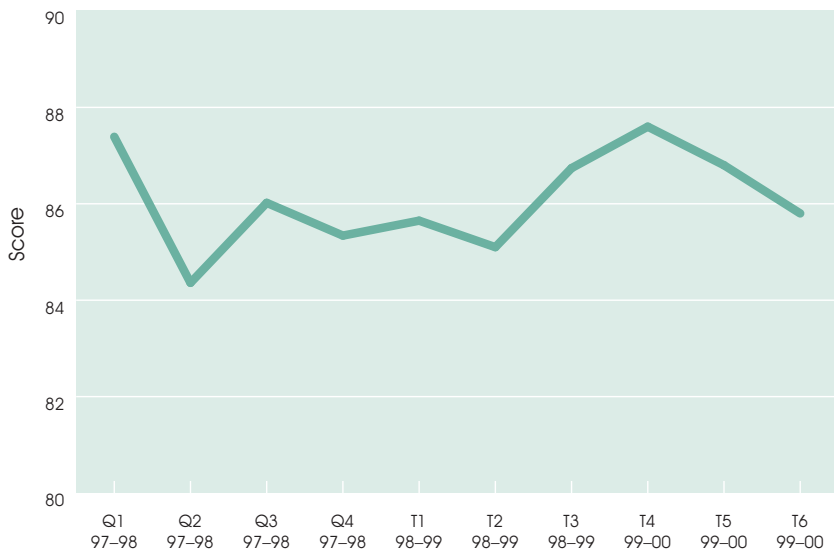
The performance standards referred to in this report are those defined in the Agreement.

## Client feedback

During 1999–2000 ComSuper continued to conduct its series of client satisfaction surveys with the assistance of the Canberra-based firm Orima Research. Clients who had recent contact were surveyed at three separate times throughout the year. On a point scale of 1–10 the quality of services surveyed was consistently rated highly.

The Quality Service Index (QSI) for Military clients, used to measure the survey results and to enable comparison between survey periods, continues to rank in the region of 86 points on a 100 point scale. Chart 1 shows ComSuper's QSI scores for the Military schemes in each of the survey periods conducted since inception of the program.

Chart 1: Quality Service Index (QSI) scores 1997–2000



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

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

## Account maintenance

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

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

Service	Standard	Outcome
<p>ComSuper undertakes to:</p> <ul style="list-style-type: none"> <li>maintain records of scheme contributors to allow the accurate and timely payment of benefits to members and accurate and timely publication of member statements;</li> <li>ensure that adequate systems, procedures and controls are in place to meet the administration and reporting requirements of the Act and associated legislation; and</li> <li>at the direction of the Authority, arrange for an independent audit of those systems and controls to be undertaken from time to time.</li> </ul>	<p>ComSuper will maintain appropriate internal control processes to ensure that systems fulfil the functions for delivery of these services.</p>	<p>No disruptions to services occurred during the year 2000 transition.</p> <p>ComSuper's core processes and building infrastructure systems were tested on 1 January 2000 before business resumed on 4 January 2000. ComSuper's systems and those of its suppliers remained available and functioned normally during the transition.</p>

## Contributions received

Contributions received during 1999–2000 totalled \$38 542 000, a 8.3 per cent fall from 1998–99.

## Contributors

As the Scheme is no longer open to new members, the number of contributors has continued to decline, falling to 13 341 as at 30 June 2000. Chart 2 shows the number of contributors during 1999–2000. Seventy-one people who were receiving a DFRDB benefit re-entered the Defence Force during the year and elected to contribute to the Scheme. Table 1 shows the number of DFRDB contributors since 1995–96, and Chart 3 shows the age profile of DFRDB contributors at 30 June 2000.

**Chart 2: DFRDB contributor membership 1999–2000**

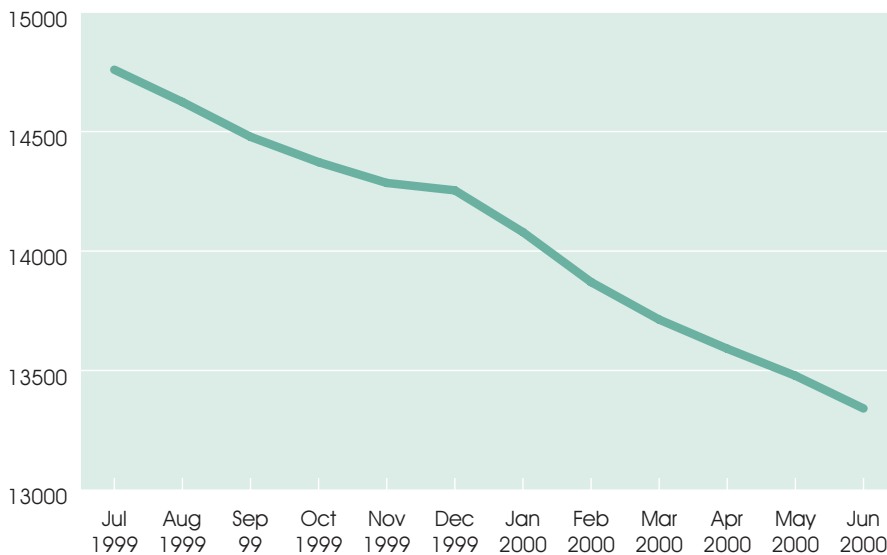
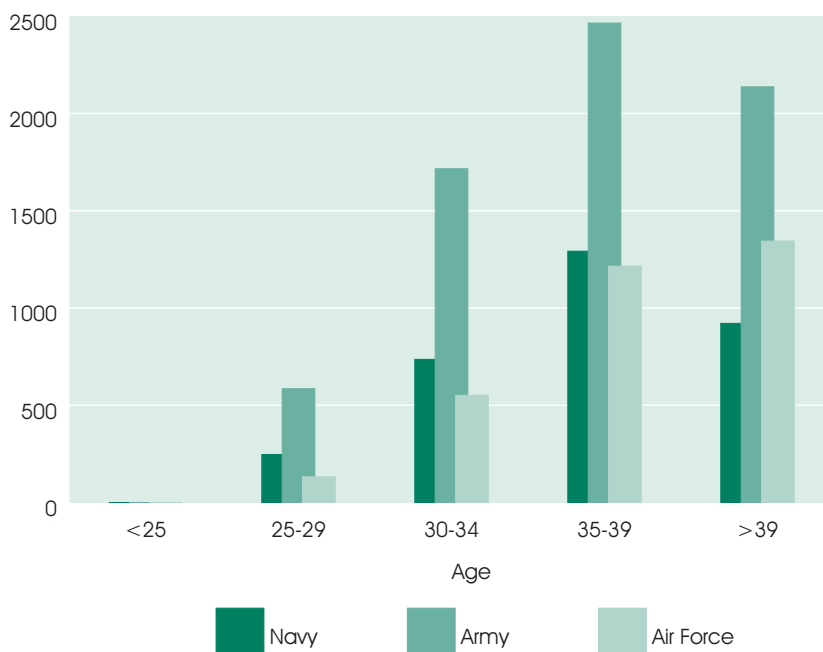




Table 1: DFRDB contributors since 1995–96

	1995–96	1996–97	1997–98	1998–99	1999–2000
<b>Navy</b>					
Male	4 671	4 231	3 806	3 419	3 042
Female	239	220	195	167	154
Subtotal	4 910	4 451	4 001	3 586	3 196
<b>Army</b>					
Male	9 997	9 178	8 300	7 333	6 568
Female	501	461	421	372	335
Subtotal	10 498	9 639	8 721	7 705	6 903
<b>Air Force</b>					
Male	4 843	4 433	3 973	3 543	3 102
Female	234	209	185	158	140
Subtotal	5 077	4 642	4 158	3 701	3 242
<b>All services</b>					
Male	19 511	17 842	16 079	14 295	12 712
Female	974	890	801	697	629
Total	20 485	18732	16 880	14 992	13 341

Chart 3: Age profile of contributors at 30 June 2000, by Service



## System changes

Modifications to DFRDB computer systems have been limited to support work in recent years as the main system was undergoing redevelopment for year 2000 compliance, as part of the Military Integration Project (MIP). As well as making the system year 2000 compliant, the MIP enabled the system to interface with the Department of Defence Military Pay System (ADFPAY), particularly for the collection of contributions. This project was completed in July 1999, enabling surcharge processing to proceed.

## Surcharge

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

The DFRDB Scheme is classed as an unfunded defined benefit scheme for the purposes of the surcharge legislation. In order to have a basis on which to calculate the surcharge contributions, the services of the Australian Government Actuary were employed to develop Notional Surchargeable Contributions Factors for calculating surchargeable contributions. The factors are periodically updated by the Actuary. Those applying to the period 1 July 1998 to 30 June 2000 were noted by the Authority in July 1999.

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

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

Following the redevelopment of the DFRDB computer system to make it year 2000 compliant, in October 1999 ComSuper reported surchargeable contributions for the 1996-97, 1997-98 and 1998-99 years. In February 2000 the ATO reported surcharge debts to members and ComSuper for those three years.

Extensive information for members about various aspects of the surcharge was made available on ComSuper's website ([www.comsuper.gov.au](http://www.comsuper.gov.au)).

During the year, the Authority decided not to lodge any objections on behalf of members who receive a surcharge assessment.

# Member communication

Communication with members occurs through the distribution channels of the Department of Defence as well as direct client contact with ComSuper. The following table summarises performance against relevant service standards for the whole of the financial year.

Service	Standard	Outcome																																												
<p>ComSuper will, at the direction of the Authority, undertake a communications program aimed at improving members' knowledge and understanding of the Scheme so that they are in a position to make informed decisions at times when these need to be made. This will include a recognition of the particular needs of members.</p> <p>ComSuper will also provide a range of communications to members on benefit entitlements and queries relating to the general administration of the Scheme in writing, over the phone and by electronic means. ComSuper will continuously seek ways to improve these communications.</p>	<p>Personal counselling will be provided in Canberra immediately if urgent, otherwise within 5 working days.</p> <p>Members will be advised within 20 working days of cessation of contributions on reaching 40 years' service.</p> <table border="1" data-bbox="521 715 861 900"> <thead> <tr> <th>Written inquiries/ requests for benefit estimates</th> <th>Proportion of requests</th> </tr> </thead> <tbody> <tr> <td>Respond within 10 working days</td> <td>85%</td> </tr> <tr> <td>Respond within 15 working days</td> <td>100%</td> </tr> </tbody> </table> <table border="1" data-bbox="521 915 861 1169"> <tbody> <tr> <td>Member statements</td> <td>deliver to Department of Defence by 10 September</td> </tr> <tr> <td>Manually generated statements</td> <td>issue by 15 December</td> </tr> <tr> <td>Replacement member statements</td> <td>issue within 15 days of request</td> </tr> </tbody> </table> <table border="1" data-bbox="521 1184 861 1454"> <thead> <tr> <th>Telephone queries</th> <th>Proportion of calls</th> </tr> </thead> <tbody> <tr> <td>Dropout rate</td> <td>less than 5%</td> </tr> <tr> <td>Response rate</td> <td>70% answered within 30 seconds</td> </tr> <tr> <td></td> <td><b>Time</b></td> </tr> <tr> <td>Average wait time</td> <td>less than 45 seconds</td> </tr> </tbody> </table>	Written inquiries/ requests for benefit estimates	Proportion of requests	Respond within 10 working days	85%	Respond within 15 working days	100%	Member statements	deliver to Department of Defence by 10 September	Manually generated statements	issue by 15 December	Replacement member statements	issue within 15 days of request	Telephone queries	Proportion of calls	Dropout rate	less than 5%	Response rate	70% answered within 30 seconds		<b>Time</b>	Average wait time	less than 45 seconds	<p>This standard was met for 1999–2000.</p> <p>This standard was met for 1999–2000.</p> <table border="1" data-bbox="901 715 1241 900"> <thead> <tr> <th>Written inquiries/ requests for benefit estimates</th> <th>Proportion of requests</th> </tr> </thead> <tbody> <tr> <td>Respond within 10 working days</td> <td>99.7%</td> </tr> <tr> <td>Respond within 15 working days</td> <td>100%</td> </tr> </tbody> </table> <table border="1" data-bbox="901 915 1241 1169"> <tbody> <tr> <td>Member statements</td> <td>delivered to Department of Defence by 31 August</td> </tr> <tr> <td>Manually generated statements</td> <td>last issued by 30 November</td> </tr> <tr> <td>Replacement member statements</td> <td>100% issued within 15 days of request</td> </tr> </tbody> </table> <table border="1" data-bbox="901 1184 1241 1454"> <thead> <tr> <th>Telephone queries</th> <th>Proportion of calls</th> </tr> </thead> <tbody> <tr> <td>Dropout rate</td> <td>2.8%</td> </tr> <tr> <td>Response rate</td> <td>78.8% answered within 30 seconds</td> </tr> <tr> <td></td> <td><b>Time</b></td> </tr> <tr> <td>Average wait time</td> <td>30.8 seconds</td> </tr> </tbody> </table>	Written inquiries/ requests for benefit estimates	Proportion of requests	Respond within 10 working days	99.7%	Respond within 15 working days	100%	Member statements	delivered to Department of Defence by 31 August	Manually generated statements	last issued by 30 November	Replacement member statements	100% issued within 15 days of request	Telephone queries	Proportion of calls	Dropout rate	2.8%	Response rate	78.8% answered within 30 seconds		<b>Time</b>	Average wait time	30.8 seconds
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The Authority aims to provide members with comprehensive information about all aspects of the DFRDB Scheme.

General communication is by means of correspondence, service newspapers, newsletters, the Internet, individual counselling and presentations given at Defence resettlement seminars and other seminars at ADF establishments. Information about the DFRDB Scheme is provided in response to requests from Defence establishments and individuals. Information is also provided through the issue of publications on various aspects of the Scheme. Page 32 of this report contains a list of currently available publications.

## Counselling and information activities

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

Overall, the workload remained very similar to last year although there has been a slight increase in all services provided. With the advent of the ComSuper Internet site there has been a significant increase in the general information available to those with Internet access. Also, greater computer awareness among members has seen an increasing number of e-mail inquiries received.

The most popular form of request remains the telephone, with an average of some 900 telephone calls recorded per week compared with 1 035 last year. The Interactive Voice Response (IVR) telephone service recorded receipt of some 46 840 calls from members (MSBS and DFRDB), which was down significantly on last year's figure of 53 841.

During the year, ComSuper staff issued 4 029 retirement advice letters to DFRDB members and provided personal counselling for 57 members. Presentations were given at 28 resettlement seminars, attended by 4 583 people (both DFRDB and MSBS members). Twenty-seven DFRDB member sessions and one information session for administrative discharge staff were also conducted and were attended by 1 983 members and 147 staff respectively.

## Member statements

The Authority aims to distribute annual member statements well ahead of the SIS required deadline of 31 December. The 1998-99 member statements were distributed in September 1999. Adjustments to procedures and processing schedules were made to bring forward the distribution compared with 1998, where statements were issued in October.

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

The Authority aims to issue replacement member statements within 15 days of receiving advice that a member's statement is missing or incorrect. In 1999–2000 the average time to issue replacement statements was 10 days.

## Website development

At various times during the year copies of ComSuper's website for the DFRDB Scheme were placed on Defence computing networks to improve access for members. At year's end this practice was discontinued in favour of a direct link to the website from Defence's intranet.

In 1999–2000 work was also undertaken to improve the accessibility of electronic information by making all publications available in both PDF and HTML formats.

## Benefit payments

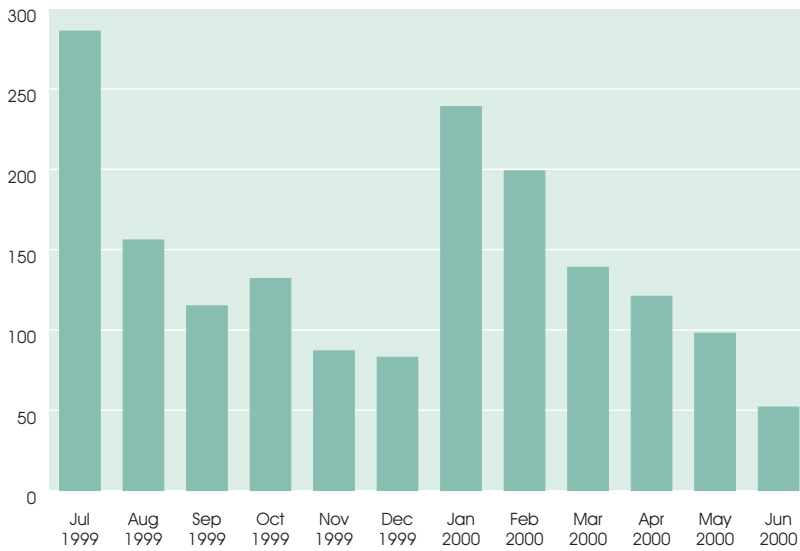
The following table lists the services and performance standards relevant to the payment of benefits upon a member ceasing to be a contributor to the DFRDB Scheme. This includes all benefit types such as resignation, retirement, invalidity and death in service. It does not include benefits resulting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

Service	Standard		Outcome	
ComSuper will process all applications for benefits in a timely manner and in accordance with the legislation.	<b>Benefit applications</b>	<b>Proportion processed</b>	<b>Benefit applications</b>	<b>Proportion processed</b>
	Within 5 working days	85%	Within 5 working days	90.1%
	Within 15 working days	95%	Within 15 working days	100%
	<b>Average time to process benefit applications</b>	less than 4.5 days	<b>Average time to process benefit applications</b>	3.0 days
<p>Note: The time for processing commences from the receipt of all prescribed information (e.g. confirmation of discharge, medical classification or correctly completed application forms).</p>				

The standards for the processing of military schemes benefit applications were monitored by the Authority throughout the year. They were met in all months of the year. Chart 4 shows the number of DFRDB benefit applications processed during 1999–2000.

The average time taken to process a benefit during 1999–2000 was 3.0 days, compared with 4.7 days in 1998–99 and 4.25 in 1997–98.

**Chart 4: DFRDB benefit applications processed 1999–2000**



A comparison of the dollar value of benefits paid in 1999–2000 with the four previous financial years is set out in Table 2.

**Table 2: Benefits paid 1995–96 to 1999–2000**

Benefit type	1995–96 (\$'000)	1996–97 (\$'000)	1997–98 (\$'000)	1998–99 (\$'000)	1999–2000 (\$'000)
Pension payments	709 898	772 949	798 643	825 676	889 949
Lump-sum payments and transfer values	1 001	584	858	1 032	306
Refunds of contributions	7 079	6 115	5 087	6 482	4 330
Commutation payments	111 234	115 125	148 648	153 913	144 604
<b>Total benefits paid</b>	<b>829 212</b>	<b>894 773</b>	<b>953 236</b>	<b>987 103</b>	<b>1 039 189</b>

## Gratuities

Certain members who leave the Defence Force without an entitlement to a pension are entitled to a refund of their contributions plus a gratuity. Gratuities totalling \$178 087 were paid to members who exited in 1999–2000.

## Commutation

Members retiring from the Defence Force may commute (i.e., exchange) part of their retirement pension for a lump sum. During 1999–2000, retiring members could receive a maximum commutation lump sum of up to 4.85 times their retirement pay (up from 4.8 in 1998–99). During the year, 1 429 members elected to commute part of their pension: initial commutation payments totalled \$144 604 461.

Persons entitled to a spouse's benefit may also elect to commute part of their pension. There were seven such elections during 1999–2000: payments in these cases totalled \$845 983.

## '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, two elections were accepted under the 'no-detriment' provisions. At 30 June 2000, 1 035 members were receiving retirement pay under these provisions. Reversionary benefits being paid under the 'no-detriment' provisions had increased to 153 at 30 June 2000.

## Re-entered recipients

At 30 June 2000, 311 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 71 cases.

## Preservation of rights

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

Members who elect to defer their benefit must enter full-time public sector employment within ninety days of their exit date. When their combined Defence Force and government service reaches twenty years, they become entitled to a DFRDB pension. Twenty-six members elected to defer their entitlements in the Scheme in 1999–2000. Twenty-six deferred benefits became payable to members with twenty years combined ADF and government service.

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

## Exits

On ceasing employment with the ADF, members receive either a pension or a refund of the contributions they paid into the Scheme. Those who leave the ADF after twenty years effective service, or after fifteen years at retiring age for rank, are entitled to a pension, as are people who retire on invalidity grounds and who receive an A or B classification (see page 19).

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

In 1999–2000, 1 551 members left the Scheme. Of these, 1 324 left with a pension entitlement. The remainder, 227, left with a refund entitlement. One hundred and seventy less members left the Scheme with a pension entitlement than in 1998–99. There were 77 less members who left with a refund entitlement than in 1998–99. Chart 5 compares the number of exits with and without a pension entitlement since 1995–96.

**Chart 5: Annual exits since 1995–96 showing pensions and refunds**



## Invalidity payments (new grants)

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



Service	Standard	Outcome
<p>Decisions are taken either by the Authority's Committee of Alternates or, in straightforward cases, under delegation held by ComSuper. In determining invalidity benefits ComSuper ensures that due process is followed, that claims are processed expeditiously, that legislative requirements are met and that guidelines issued by the Authority are followed.</p>	<ul style="list-style-type: none"> <li>• Submit cases to delegate or Committee of Alternates within ten working days of receipt of supporting documentation and any additional information that may be required (supporting documentation includes medical documentation, the member's employment experience, advice of conditions causing retirement, confirmation of date and mode of exit, and the member's application).</li> <li>• Members will be advised of decisions taken within three working days.</li> </ul>	<ul style="list-style-type: none"> <li>• Standard met in 100% of cases processed during 1999–2000.</li> <li>• Standard met in 100% of cases processed.</li> </ul>

## Invalidity classification

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

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

## On-site medical assessments

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

## Effect of fitness standards

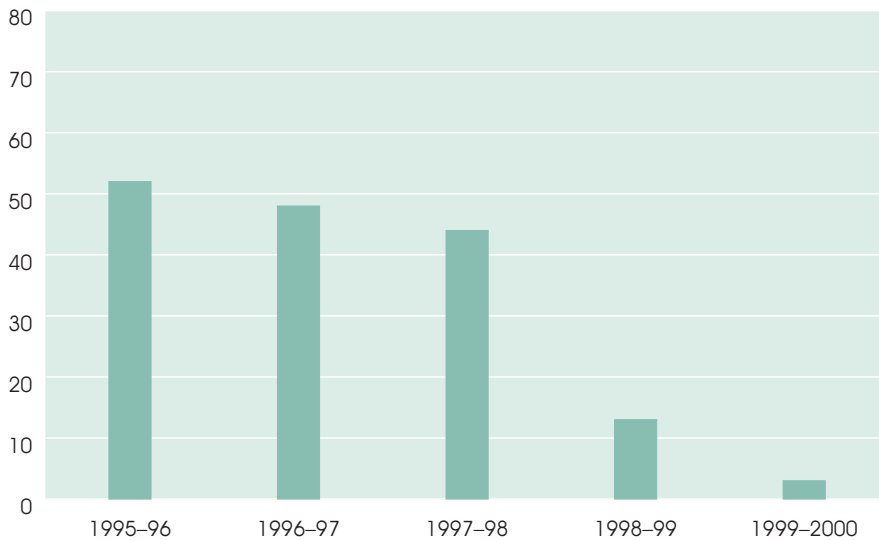
There has been a reduction in medical discharges in this financial year, although the number is still high compared with the five-year average. This is a result of the continued effect of new medical and deployment standards. One hundred and forty cases were determined this year, some of which related to discharges in the previous financial year. It

is expected that the number of discharges for the next twelve months will remain higher than the five-year average.

## Invalidity decision timeframe

Invalidity classifications took an average of 3 days to finalise during 1999–2000. This is a further significant improvement from 1998–99, when the average time taken was 13 days. It is not anticipated that much further improvement can be achieved in the coming year. Chart 6 shows the average time taken to determine new invalidity cases in the past five financial years.

**Chart 6: Average number of days taken to determine new invalidity cases 1995–96 to 1999–2000**



Service	Standard	Outcome
ComSuper will maintain appropriate records and documentation of all persons eligible to receive a pension under the Act. This includes the setting up of a new record when a pensioner commences, processing amendments to personal details, processing altered payment arrangements, processing cessations on death, where applicable commencing reversionary benefits following death, processing variations to child/student pensions, processing variations to invalidity pensions following reclassification and initiating recovery of overpaid pension when advice of death is delayed.	<p>Make changes to pension payment arrangements within the first available fortnightly pay cycle following receipt of a request.</p> <p>ComSuper will maintain appropriate internal control procedures to ensure that systems fulfil the functions for delivery of these services.</p>	Special arrangements were made to bring forward pension paydays to minimise the possibility of disruptions due to the year 2000 transition. No difficulties were experienced in the transition.

## Pensions in force at 30 June 2000

At 30 June 2000, 53 012 people were receiving pensions under DFRDB and DFRB legislation. This represents an overall increase of 1 059 from 30 June 1999. Table 3 shows pensions in force by type and Scheme as at 30 June 2000.

**Table 3: Pensions in force by type and Scheme at 30 June 2000**

Type of pension	DFRB	DFRDB	Total
Retirement	2 192	40 463	42 655
Invalidity	947	2 100	3 047
Reversionary			
- spouses	2 878	3 896	6 774
- children	14	522	536
Act of grace	0	0	0
Total pensions	6 031	46 981	53 012

# Pension payments

Service	Standard	Outcome
ComSuper will process all applications for reversionary benefits following the death of a pensioner, that is, eligible spouses, children and orphan pensions, in a timely manner and in accordance with relevant legislation.	Reversionary pensions will be commenced on the next available payday following receipt of application subject to eligibility criteria being clearly met and subject to there being no counter-claims.	Although performance against this standard is not specifically measured, payment of reversionary pensions is given the highest priority in processing cycles.

## Spouses' benefits

At 30 June 2000, 6 774 spouses were receiving pensions under the provisions of the DFRB and DFRDB Acts, 388 of which commenced in 1999–2000.

## Children's and orphans' benefits

At 30 June 2000, 536 children and orphans were receiving pensions under the provisions of the DFRB and DFRDB Acts. During the year, 154 new children's and orphans' pensions commenced.

## Invalidity review

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

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

In 1999–2000, 668 invalidity cases were reviewed, compared with 498 in 1998–99 and 578 in 1997–98. Of the 131 classifications that proceeded to a full medical review, 62 were changed: 29 of these were increased and 33 were reduced. Fifty-two of these reviews were requested by the member.

## Pensioner communications

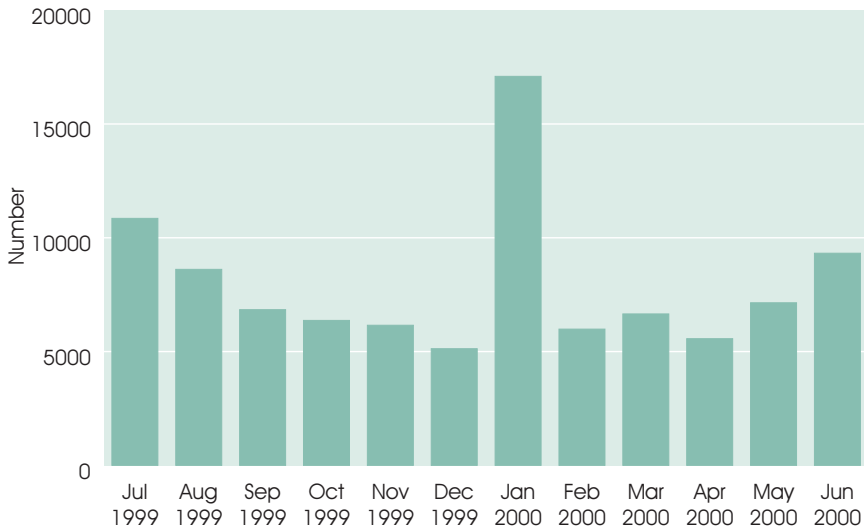
Service	Standard	Outcome												
<p>ComSuper will, at the direction of the Authority, provide a range of communications to pensioners to assist their understanding of the Scheme, to facilitate inquiries and to facilitate changes to personal or payment details.</p> <p>In response to guidance from the Authority, ComSuper will also seek to improve the quality and effectiveness of its communications with pensioners in part through regular reviews and in part through surveys of clients.</p>	<p>Members who request a variation to their method of payment or who advise other changes will be sent an acknowledgment when the change has been effected.</p> <p>Telephone inquiries will generally be dealt with at the time of the call.</p> <table border="1" data-bbox="518 719 858 929"> <tr> <td>Average telephone wait time</td> <td>less than 30 seconds</td> </tr> <tr> <td>Dropout rate</td> <td>less than 5%</td> </tr> <tr> <td>Average response time</td> <td>85% of calls to be answered within 30 seconds</td> </tr> </table> <p>Written inquiries will be responded to within five working days (however, if the inquiry is complex and a response within that time is not possible, the member will be told of that within two days).</p>	Average telephone wait time	less than 30 seconds	Dropout rate	less than 5%	Average response time	85% of calls to be answered within 30 seconds	<p>The standard was met in 1999–2000. Most variations are processed immediately upon receipt of correspondence or a telephone request.</p> <table border="1" data-bbox="899 719 1241 929"> <tr> <td>Average telephone wait time</td> <td>18.3 seconds</td> </tr> <tr> <td>Dropout rate</td> <td>0.9%</td> </tr> <tr> <td>Average response time</td> <td>85.3% of calls answered within 30 seconds</td> </tr> </table>	Average telephone wait time	18.3 seconds	Dropout rate	0.9%	Average response time	85.3% of calls answered within 30 seconds
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Average response time	85% of calls to be answered within 30 seconds													
Average telephone wait time	18.3 seconds													
Dropout rate	0.9%													
Average response time	85.3% of calls answered within 30 seconds													

## Counselling and inquiry service

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

Advisory officers can be contacted by telephone (through a dedicated call centre), by letter, facsimile or by e-mail. Pensioners with hearing impairments can use a special teletypewriter (TTY) facility. Advisory officers are available for personal counselling at ComSuper's office. Pensioners who use the Internet can get information from the ComSuper website. Chart 7 shows the number of telephone inquiries received by the Retired Information Service during 1999–2000.

**Chart 7: Telephone calls received by the Retired Member Information Service 1999–2000**



Note: The large number of telephone calls in January was as a result of altered paydays over Christmas/New Year and for Y2K transition.

## Pension increase

Service	Standard	Outcome		
ComSuper undertakes to process the annual pension increase in accordance with the legislation.	<p>Process the annual pension increase on the first payday on or after 1 July each year.</p> <table border="1"> <tr> <td>Annual pension advices and group certificates</td> <td>to be sent out before the first pension payday in July each year</td> </tr> </table>	Annual pension advices and group certificates	to be sent out before the first pension payday in July each year	<p>This standard was met for 1999–2000.</p> <p>Pension advice letters were dispatched before the first pension payday in July.</p>
Annual pension advices and group certificates	to be sent out before the first pension payday in July each year			

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

In 1999–2000, the Australian Bureau of Statistics announced a CPI change of 2.8 per cent for the March to March quarter. DFRDB pensions that were in force for the full financial year were increased by that amount.

Pensioners were advised of the adjustment to their pensions in the annual pension advice letter that is sent to them each year, together with their income tax group certificate and information about the effects of the Tax Reform package associated with the GST.

# dispute resolution

## Avenues of review

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

## Internal reconsideration

Service	Standard	Outcome																						
<p>ComSuper undertakes to investigate requests for reconsideration in a thorough, objective and cost effective manner in accordance with any guidelines issued by the Authority.</p> <p>ComSuper also undertakes to do all things necessary to facilitate the expeditious processing of negligence claims against the Authority.</p>	<p>ComSuper will process:</p> <table border="1" data-bbox="521 824 860 1016"> <thead> <tr> <th>Reconsideration requests</th> <th>Proportion completed</th> </tr> </thead> <tbody> <tr> <td>within six months</td> <td>40%</td> </tr> <tr> <td>within nine months</td> <td>65%</td> </tr> <tr> <td>within twelve months</td> <td>80%</td> </tr> </tbody> </table> <table border="1" data-bbox="521 1035 860 1092"> <tbody> <tr> <td><b>Average time to process requests</b></td> <td>10 months</td> </tr> </tbody> </table> <p>Submissions to the Authority will be prepared within thirty days of receipt of supporting documentation.</p> <p>Claims against the Authority will be handled objectively and expeditiously.</p>	Reconsideration requests	Proportion completed	within six months	40%	within nine months	65%	within twelve months	80%	<b>Average time to process requests</b>	10 months	<p>Fifty-six DFRB/DFRDB cases, as well as 98 MSB cases (a total of 154), were received during the financial year. Accordingly, the applicable standards were 40% to be completed in six months, 65 per cent to be completed in nine months and 80% to be completed in twelve months.</p> <table border="1" data-bbox="900 1031 1244 1254"> <tbody> <tr> <td>Received</td> <td>56</td> </tr> <tr> <td>Processed</td> <td>64</td> </tr> <tr> <td>Completed in six months</td> <td>20%</td> </tr> <tr> <td>Completed in nine months</td> <td>41%</td> </tr> <tr> <td>Completed in twelve months</td> <td>55%</td> </tr> </tbody> </table> <table border="1" data-bbox="900 1273 1244 1330"> <tbody> <tr> <td><b>Average time to process requests</b></td> <td>13.9 months</td> </tr> </tbody> </table> <p>As evidenced in the table above, the standards for DFRDB cases were not achieved.</p>	Received	56	Processed	64	Completed in six months	20%	Completed in nine months	41%	Completed in twelve months	55%	<b>Average time to process requests</b>	13.9 months
Reconsideration requests	Proportion completed																							
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Completed in nine months	41%																							
Completed in twelve months	55%																							
<b>Average time to process requests</b>	13.9 months																							

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

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

Fifty-six requests for reconsideration were received from DFRB and DFRDB members during the year, identical to the number received last year, adding to the 59 cases carried over from 1998–99. Of the 64 cases finalised during the year, the Authority confirmed 25 cases on reconsideration, while 26 cases were varied in favour of the applicants. Another 13 lapsed because the applicant failed to pursue the matter. Fifty-two requests remained under investigation at 30 June 2000.

Most requests for reconsideration (some 71 per cent in 1999–2000) concern the amount of invalidity benefit payable, either on discharge or at subsequent reviews. The amount of benefit varies depending upon the former member's assessed level of physical or mental incapacity to undertake suitable civilian employment. Other typical matters included determination of grounds for retirement, recognition of prior service, widows' entitlements, restoration of widows' pension and extensions of time to reconsider previous decisions.

ComSuper's Schemes Administration Services Group undertakes the preliminary investigation of cases with the reconsideration process normally involving the assembly of information additional to that available to the delegate who made the primary decision. Consequently, the process can be protracted. This is particularly the case where delays occur in obtaining information, such as in medical cases where specialist opinion is required. While the majority of cases (55 per cent) were completed within twelve months, during the year ComSuper brought more resources to the activity, including greater use of contracted medical services from Health Services Australia, in order to reduce processing times. The Authority expects the benefits of these initiatives to be seen next year.

## External appeals

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



Service	Standard	Outcome
ComSuper undertakes to do all things necessary to facilitate the expeditious processing of matters that go to the Administrative Appeals Tribunal, the Federal Court and other jurisdictions such as the Human Rights and Equal Opportunity Commission.	Process all external review cases objectively and expeditiously.	See Table 4 below.

**Table 4: Outcomes of external appeals 1999–2000**

	1995–96	1996–97	1997–98	1998–99	1999–2000
Decisions affirmed	1	4	4	4	3
Decisions set aside/ conceded	3	3	2	3	4 6
Applications dismissed	3	5	6	4	4
Extension of time denied	1	1	–	–	–
Total	8	13	12	11	17

## Administrative Appeals Tribunal

During 1999–2000, fifteen applications for review were lodged with the AAT in addition to the thirteen that were carried over from the previous year. Of the seventeen applications resolved during the year, the Authority’s decision was affirmed in three cases, while four cases was decided in the applicant’s favour. (Of the four Authority decisions set aside by the AAT, the Federal Court remitted one matter to the AAT for re-hearing—see discussion below.) The Authority conceded six cases on the basis of new evidence which was not available at the time it reconsidered each matter. Three cases were dismissed following the applicants’ withdrawal of their application for review, and one other case was dismissed for lack of jurisdiction. Eleven cases were outstanding as at 30 June 2000.

## Significant cases

During 1999–2000, the majority of the applications for review to the AAT dealt with invalidity classifications under the DFRDB Act. In one such case, *Phillips and Defence Force Retirement and Death Benefits Authority*, the Authority appealed to the Federal Court against the decision of the AAT. The Court, by consent of the parties, allowed the appeal on the basis that the AAT erred in law in deciding that such factors as the applicant’s location and his ability to attract an employer are relevant for the purposes of determining the degree of incapacity in relation to civil employment. The matter was remitted to the AAT for re-hearing.

## 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. Two cases were appealed by the Authority to the Federal Court during 1999–2000. There were no appeals by applicants to the Federal Court in the same period.

## 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 1999–2000.

## Complaints

Service	Standard	Outcome
ComSuper will maintain systems for dealing with complaints and representations made by Parliamentarians and the Ombudsman.  ComSuper will also maintain systems for dealing with requests under the Freedom of Information Act.  Systems will also be maintained to monitor inquiries directed to the Authority.	Parliamentarian and Ombudsman representations and Freedom of Information requests will be dealt with within thirty calendar days. A substantive response to 80 per cent of complaints (excluding requests for internal review) will be provided within fifteen working days.	The standard for processing Parliamentarian and Ombudsman representations and Freedom of Information requests was achieved in 100 per cent of cases. The standard achieved for processing complaints was 80 per cent within fifteen working days.

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

In 1999–2000 fifteen complaints and twelve ministerials were received by ComSuper. In addition, 36 ministerials were received and responded to within the Department of Defence without referral to ComSuper.

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

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

**Table 5: Complaints and ministerials processing times 1999–2000**

	Less than 15 days		15–30 days		30–90 days		Greater than 90 days	
	#	%	#	%	#	%	#	%
Complaints	12	80	1	7	2	13	–	–
Ministerials	12	100	–	–	–	–	–	–

## Freedom of information

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

### Facilities for access

Facilities for viewing documents are provided only at ComSuper’s office in Canberra. Documents may be inspected at ComSuper and copies, for which there may be a charge, can be obtained by lodging a formal FOI request with ComSuper’s Corporate Governance and Parliamentary Liaison Unit at the address given on page 30 of this report. Information about facilities for access by people with disabilities can also be obtained by contacting the Corporate Governance and Parliamentary Liaison Unit.

### Requests

During the year, the Authority received 45 requests for access to documents, compared with 74 requests in 1998–99. No requests were brought forward from last year and none were outstanding at 30 June 2000. All the requests received were for documents of a personal nature, most being requests for access to medical reports.

### Disclosure

Of the requests received, 42 were granted in full, two were partially granted and one was refused. The average time taken to finalise a request was 5.2 days, compared with 7.1 days during 1998–99.

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 \$1 350 were waived pursuant to section 30A of the FOI Act.

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

## **Inquiries**

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

Corporate Governance and Parliamentary Liaison Unit

ComSuper

PO Box 22

Belconnen ACT 2616

Facsimile: (02) 6252 6509

Telephone: (02) 6252 7514

TTY: (02) 6253 2911

Internet: [www.comsuper.gov.au](http://www.comsuper.gov.au)

# accounting services

Service	Standard	Outcome
<p>ComSuper will provide the Authority with the opportunity to participate in the development of ComSuper's annual internal audit program to identify areas of mutual interest and to examine reports of specific internal audits where there is a coincidence of interest.</p> <p>ComSuper will maintain comprehensive and up to date delegations and authorisations.</p>	<p>ComSuper undertakes to deliver the Authority's annual report within the statutory time limits.</p>	<p>The <i>Defence Force Retirement and Death Benefits Authority Annual Report 1998–99</i> was presented to the Senate on 19 October 1999.</p> <p>The Senate Foreign Affairs, Defence and Trade Legislation Committee noted, in its <i>Scrutiny of Annual Reports No. 1 of 2000</i>, that the Authority in a well-written and easy-to-use report had demonstrated how it had measured the efficiency and effectiveness of its services to clients.</p>

## Financial resources

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

## Debtors

At 30 June 2000, \$505 786 was due to the Authority in benefits overpaid under the DFRDB and DFRB Schemes. The most common cause of overpayment is late notification to the Authority that the recipient is deceased and therefore is no longer entitled to receive the benefit. The bulk of these involve deceased estates. Administrative processes are in place to ensure that there is minimal chance of overpayment. Most overpaid benefits are recovered by the Authority. During the year debts totalling \$42 873 were written off (in 71 cases) and no debts were waived.

# appendix a: publications

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

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

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

- *About to Leave the ADF?*
- *Dependants' Benefits*
- *Invalidity Benefits*
- *Preserved Benefits*
- *Retirement Benefits*
- *Taxation of Benefits*

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

# appendix b: legislation

## Changes to the DFRDB Act

During 1999–2000 there were no amendments to the DFRDB Act.

# appendix c: contact officer

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

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

*Postal address:* Ministerial Liaison Officer  
ComSuper  
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# appendix d: glossary

AAT	Administrative Appeals Tribunal
ADF	Australian Defence Force
AD (JR) Act	<i>Administrative Decisions (Judicial Review) Act 1977</i>
commutation	conversion of a part of a pension to a lump sum
ComSuper	Commonwealth Superannuation Administration
CPI	Consumer Price Index
deferred benefit	payable, after 20 years combined ADF and government service, to members with a refund entitlement who leave their benefit in the Scheme
DFRB	Defence Forces Retirement Benefits
DFRDB	Defence Force Retirement and Death Benefits
FOI	Freedom of Information
gratuity	a one-off bonus payment paid to some members on resignation. It is usually only paid to 'other rank' members
incapacity	the degree to which the disorder that caused a member's retirement affects his or her ability to perform appropriate civilian work. The basis for determining invalidity benefits
invalidity	a mode of retirement resulting from a disorder or disorders that render a member unfit for further military service
MSB	Military Superannuation and Benefits
MSBS	Military Superannuation and Benefits Scheme
MSCAG	Military Superannuation Communication Advisory Group
no-detriment	provision that ensures that certain officers receive a DFRDB benefit at least the equal of the DFRB benefit for which they were contributing before the DFRB Scheme closed
preservation	used colloquially to refer to deferred benefits and to the transfer of benefits
productivity	a benefit component for all members, accruing since January 1988 and funded by the Department of Defence
re-entered recipient	a contributor who has rejoined the Scheme having previously received a DFRDB pension
reversionary benefit	the benefit payable to eligible spouses and children (including orphans) of a contributor, pensioner or preserved benefit member who dies
Superannuation Guarantee	arrangements which mean that a member who receives a refund entitlement is entitled to an additional payment to bring the employer benefit to a minimum required amount

surcharge	the <i>Superannuation Contributions Tax (Assessment and Collection) Act 1997</i> , a tax on employer financed superannuation contributions
transfer value	an amount paid to an eligible superannuation scheme on behalf of a member who leaves the DFRDB without a pension entitlement

# appendix e: compliance details

While this report is not a Departmental annual report, the Authority has endeavoured to comply with the 'Requirements for Departmental Annual Reports', where applicable. Details of ComSuper's operations are provided in the *Commissioner for Superannuation Annual Report 1999-2000*. Annual reporting requirements that are met in the Commissioner for Superannuation's report are indicated below by an asterisk.

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# appendix f: service charters

In the first half of 2000, revised service charters for contributing and retired DFRDB members for 2000–02 were prepared by ComSuper and copies made available to members of the schemes, in accordance with Government policy.

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

## The service DFRDB contributors can expect

- If you phone our information service between 9.00 am and 5.00 pm, Eastern Time, Monday to Friday (excluding public holidays),
  - normally your call will be answered within 45 seconds (see page 13);
  - if you ask for a benefit estimate, we will, where possible, provide you with that information at the time of your call (see page 13).
- If you write to us for a benefit estimate, we will send you the information requested, usually within 10 working days of receiving your letter (see page 13).
- If you write to us about any other matter, we will answer your letter as soon as possible, usually within 10 working days of receiving it (see page 13).
- Subject to your employer supplying us with correct, regular and timely information, we will maintain your member record accurately and in a current state (see page 9).
- Your annual member statement, setting out your equity in the Scheme as at 30 June, will be sent to you before 10 September each year. Where statements have to be produced manually, we will send you a statement before 15 December (see page 13).
- When you claim your superannuation benefit,
  - we will pay your lump sum as soon as possible, usually within 5 working days of receiving all the necessary information from you and your employer (see page 15);
  - we will pay your pension on the next available pension payday after receiving all the necessary information from you and the Department of Defence (see page 15).

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

## The service retired DFRDB members can expect

- If you call our information service between 9.00 am and 5.00 pm Eastern Time, Monday to Friday (excluding public holidays), normally, your call will be answered within 30 seconds. However, at times, particularly during the months of July, August and September, demand for our services is high following the mailing of the annual pension advice letter, and we may not be able to answer your call as quickly as we would like. During these times we will attend to your inquiry as soon as possible (see page 23).
- If you ask for a variation to be made to the way your fortnightly benefit is paid, we will make the change as soon as possible, but usually by the next available pension payday. We will tell you the payday the change will take effect (see page 23).
- If you write to us about any other matter,
  - if your letter requires a written reply, we will answer it as soon as possible, usually within 5 working days of receiving it (see page 23);
  - if we are unable to do this because of the complexity of your inquiry, we will let you know as soon as possible, usually within 2 working days of receiving your letter (see page 23).

- If we are informed of your death,
  - we will send an application form to your spouse within 24 hours. If there is no spouse, but there is an eligible child or children, we will send an application form to the guardian of the child or children. If needed, we will help in completing the form (see page 22);
  - when we receive a correctly completed application form and an entitlement to a benefit is clearly established, we will arrange for the benefit to be paid on the next available pension payday (see page 22);
  - if your spouse's entitlement to receive a benefit is not automatic, we will contact him or her within 5 working days of receiving an application form and advise what needs to be done (see page 22).
  
- Your annual pension advice letter, advising you whether your pension has been adjusted because of an upward movement in the Consumer Price Index (CPI), will be sent to you usually before the first pension payday in July each year. If there is an adjustment, the increase will be paid on that pension payday (see page 24).
  
- Your income tax group certificate will be sent to you together with your annual pension advice letter, usually before the first pension payday in July each year (see page 24).
  
- We will send you income tax concession information that will help you determine whether you are eligible for a superannuation tax concession. The information will be sent with your annual pension advice letter before the first pension payday in July each year (see page 24).

# appendix g: freedom of information

## Freedom of Information Act statement

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

## Functions of ComSuper

The general functions of ComSuper are described in the main body of this report and in the *Commissioner for Superannuation Annual Report 1999–2000*.

## Decision-making powers

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

## FOI internal procedures

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

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

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

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

## Facilities for access

Facilities for viewing documents are provided only at the ComSuper office in Canberra, as ComSuper has no regional offices. Publications may be inspected at ComSuper's Corporate

Governance and Parliamentary Liaison Unit, and copies (for which there may be a charge) can be obtained by writing to ComSuper.

Information about facilities for access by people with disabilities can be obtained by contacting the Corporate Governance and Parliamentary Liaison Unit at the address and telephone numbers shown on page 30 of this report.

## **Consultative arrangements**

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

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

## **Categories of documents**

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

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



# dfrdb in brief

	at 30 June 1999	at 30 June 2000	Increase (Decrease)
<b>CONTRIBUTORS</b>			
Males	14 295	12 712	(11.4%)
Females	697	629	(9.8%)
<b>Total</b>	14 992	13 341	(11.0%)
	at 30 June 1999	at 30 June 2000	Increase (Decrease)
<b>PENSIONS IN FORCE</b>			
Age retirement	41 807	42 655	2.0%
Invalidity	3 016	3 047	1.0%
Dependants	7 129	7 310	1.0%
Act of grace	1	0	
<b>Total</b>	51 953	53 012	1.0%
	at 30 June 1999	at 30 June 2000	Increase (Decrease)
<b>EXITS</b>			
Retirement	1 501	1 247	(16.9%)
Resignation	182	190	4.4%
Invalidity	115	107	(7.0%)
Death	0	7	
<b>Total</b>	1 798	1 551	(13.7%)
	at 30 June 1999	at 30 June 2000	Increase (Decrease)
<b>OTHER</b>			
Member contributions received	42 034 134	38 542 000	(8.3%)
Total benefits paid	987 102 568	1 039 189 000	5.3%
Total pensions paid	825 675 558	889 308 000	7.7%
Average annual pension	15 964	16 788	5.2%

A comprehensive compendium of statistical tables can be obtained by contacting the ComSuper office, or from the ComSuper internet site, [www.comsuper.gov.au](http://www.comsuper.gov.au).

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