



Australian Government

Department of Defence

PO Box 7900 CANBERRA BC ACT 2610

EC19-006342

DFRDB Members

Dear DFRDB member

On 10 April 2019, the Commonwealth Ombudsman, Mr Michael Manthorpe PSM, decided to commence an own motion investigation into the accuracy of information about commutation of retirement pay provided to members of the Defence Force Retirement and Death Benefits (DFRDB) by scheme administrators and relevant departments. The scope of the investigation was limited only to the administration of the DFRDB scheme.

The Ombudsman found that, on occasions in the 1980s and 1990s, information that was disseminated to some DFRDB members on the long term impact of commutation was incorrect. From the early 2000s onwards Defence has provided members with the correct information regarding commutation and all Commonwealth Superannuation Corporation (CSC) publications were rectified in 2004. Drawing on expert actuarial examination, the Ombudsman also found that the incorrect information was unlikely to have caused financial detriment to members.

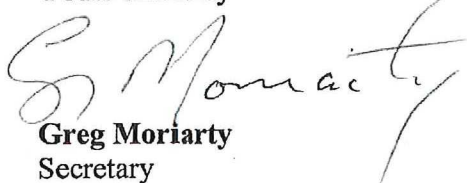
While it would have been provided by well-meaning administrators and managers, it was incumbent on Defence to ensure the accuracy of the information provided. We apologise for providing incorrect advice to some DFRDB members and for the confusion and emotional impact that it may have caused.

Defence values its workforce and veterans highly, and always seeks to provide the highest level of support, particularly on transition from the ADF to civilian life. As superannuation is a complex subject, members have been encouraged to seek the most accurate information from CSC (or its predecessors), and Defence also continues to educate our administrators and managers on such matters.

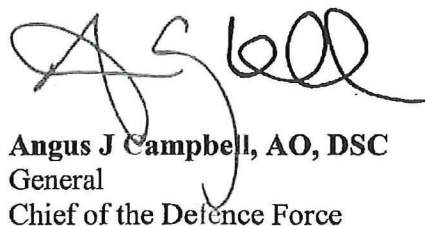
While the Ombudsman found that a decision to commute was unlikely to have resulted in overall financial detriment, should you believe you experienced an actual loss due to your reliance on information that was incorrect, you may apply for Compensation for Detriment caused by Defective Administration (CDDA). Guidance for applying under the CDDA scheme is available at <https://www.defence.gov.au/Legal/Directorates/dsfc.asp>.

We thank our veterans for their service, and their families for the support provided to them.

Yours sincerely



Greg Moriarty
Secretary



Angus J Campbell, AO, DSC
General
Chief of the Defence Force

3 December 2019

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