



DEFENCE FORCE WELFARE ASSOCIATION

NATIONAL OFFICE

Patron-in-Chief: His Excellency General the Honourable Sir Peter Cosgrove AK MC (Retd)

A member of the Alliance of Defence Service Organisations

26 March 2019

MEDIA STATEMENT

INDEPENDENT INQUIRY INTO DFRDB COMMUTATION ARRANGEMENTS WELCOMED

The Defence Force Welfare Association (DFWA) welcomes the Government's announcement yesterday that it would finally commission an independent inquiry into the commutation arrangements of the Defence Force Retirement and Death Benefits (DFRDB) superannuation scheme.

In commenting on the announcement, the National President of DFWA, Kel Ryan, stated that he particularly welcomed the Government emphasising the importance of open and transparent discussion around veteran concerns, and that it would consult with the ex-service community about the Terms of Reference for the inquiry.

As for the commutation arrangements, Kel Ryan stated that DFWA and the veterans community as a whole had long sought redress of varying grievances relating to DFRDB, not the least of which included the continued application in 2019 of out-of-date 1962 life tables for calculating both commutation entitlements and fortnightly superannuation payments made to veterans subject to the DFRDB scheme.

Hopefully, the proposed inquiry will uncover the serious financial injustices that those out-dated life tables have caused to DFRDB superannuants. Life expectancies have markedly increased from the time since the DFRDB scheme was introduced in 1973. Those increases have meant that the amount of permanent pension reduction calculated using old tables is far higher than they should be if current tables applied.

The Defence Force Welfare Association, along with its partners in the Alliance of Defence Service Organisations, will be making written submissions to the inquiry and looks forward to actively participating in drafting the Terms of Reference.

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