

Senate Finance and Public Administration Committees  
PO Box 6100  
Parliament House  
Canberra ACT 2600

**Warrant Officer MTP4 (Rtd) David J Stacy**

## **Submission invitation – Senate inquiry into Australian Defence Force (ADF) superannuation and pension schemes**

A compulsory superannuation scheme called the Defence Force Retirement Benefits Scheme (DFRB) which operated between 1948 and 1972 had an option to take a commutation (an early lump sum) after 20 years of service. Veterans who chose this option accepted a reduced pension to repay the value of the commutation, a value based on their life expectancy or actuarial age.

Notional Life Expectancy tables used to calculate the reduced pension were based on outdated 1962 figures. Those opting for the lump sum at the time were never told that the reduced pension would last indefinitely. No one can produce any historical document to specify that the reduced pension would continue past the notional life expectancy. Myself and any of the Veterans affected by this will testify that it was verbally explained to them as paying off a loan.

Many veterans, myself included, are living well past that age and are still receiving the reduced pension, even though in many cases the original lump sum has been reimbursed multiple times. In effect they're penalised for reaching a ripe old age.

Direct debit by DFRDB has been incremented and escalated over time, to a level where the original lump sum has been reimbursed multiple times. This effectively means that veterans are subsidising their own benefits.

After suffering years of reduced pension I and affected veterans am now demanding justice, from this enquiry.

No. EN0842 read into the House of Representatives Hansard on 18 February 2019 states: Limited "The DFRDB Authority failed to disclose to veterans the whole-of-life impost of a Lump Sum Commutation on superannuation payments reduced by a factor, based on redundant Notional Life Expectancy [NLE] data and an individual's Service data. disclosure of the whole-of-life deductions was made by DFRDB, 37 years after the Scheme was launched, but never to members so affected.

There was no definition of the term 'commutation' within the legislation or in any document provided by DFRDB to superannuants, until its disclosure advised above. The direct debits were shown in the legislation and the DFRDB's Administrative Manual to be a finite amount, not an escalating continuum.

On advice from DFRDBA all superannuants understood Commutation as an advance of Benefits to be reimbursed to DFRDB by fortnightly debits over a finite period and at a finite rate.

How deluded Veterans were through DFRDB's failure to disclose their interpretation of the Legislation, before the fact, thereby committing Veterans to an ever increasing, spiralling, life-term DEBT-SENTENCE. We therefore ask the House to instate the NLE point of each affected veteran as the point where full reinstatement of their Commutation obligation is fulfilled; and, reimburse to each DFRDB veteran, all over-subscribed payments forfeited by direct debit by them, once their original lump sum was repaid in full."

Past petitions have received duplicitous and deceitful replies from the Minister (or his minions making of the Petition process a sham."

I am not seeking 'the portion we commuted be restored'; this is about getting the pension restored to its rightful amount once the commutation has been repaid."

The Australian government has abused our armed services for too long. They are all too happy to send them into senseless foreign wars at the whims of British and American geopolitical demands. Billions of dollars are funnelled to profit arms companies, but when it comes to the welfare of the veterans who have been prepared to put their lives on the line for their nation, they are treated with contempt. The government's policy betrays a fake patriotism, which must end.

Yours Sincerely

David Stacy