

**SUBMISSION BY PETER MARTIN AUSTRALIAN ARMY 1978 -98**  
**INQUIRY INTO AUSTRALIAN DEFENCE FORCE (ADF) SUPERANNUATION AND PENSION SCHEMES**

***Re - Operation and appropriateness of the superannuation and pension schemes for current and former members of the Australian Defence Force (ADF) dated 26 August 2025, reference Terms of Reference Item F.***

Following 20 years of service between 1978 until 1998 in the Australian Defence Force, I retired after obtaining eligibility under the Defence Force Retirement Superannuation and Death Benefits Scheme (DFRDB), on retirement from the ADF I accepted the proffered Lump Sum Benefit offered by the DFRDB Authority.

My decision at the time of separation from the Defence Force to accept the lump sum benefit was based on information I received at a resettlement seminar offered by Defence through an organisation, Ray Carnall Financial Services, who was a Counselling Officer for Defence on the Defence Force Retirement and Death Benefits Authority. These sessions I feel consistently omitted critical details about commutation impacts along with DFRDB Authority and CSC brochures (1973–2004) which failed to disclose that commutation results in reduced superannuation for life.

In applying for the Lump Sum Commutation offered to me by the DFRDB Authority as a benefit of the DFRDB Superannuation Scheme I had no understanding of the financial implications and I feel that the DFRDB Authority failed to advise me of the CONDITIONS that applied in accepting this Superannuation Benefit before I committed to accepting this DFRDB Scheme benefit.

I now understand that the Lump Sum was required to be re paid to the Commonwealth, by automatic deduction from my Superannuation Pay by the DFRDB Authority, until I reached my Notional Life Expectancy point, that was used also to determine the quantum of my periodic reimbursements each fortnight and that the DFRDB Authority increased and escalated the amount of these reimbursements far beyond the original amount they advised as being the Annual reduction. DFRDB A had further advised, some 35 years after the DFRDB commutation Scheme was introduced as a COMPULSORY, CONTRIBUTORY, UNFUNDED superannuation scheme to ADF Members only, that reimbursement of DFRDB Lump Sum Benefits known as a commutation continue WHOLE OF-LIFE. I was NEVER informed (by any means) that this condition applied to acceptance of COMMUTATION before applying for the Lump Sum superannuation-benefit, I was entitled to.

I now seek the return by the Commonwealth of all monies paid in reimbursement of my commutation, over and above that amount calculated originally that equalled the amount I received as a Lump Sum. Commutation was never defined within the DFRDB Legislation or otherwise communicated accurately to me, in the context of its Legal and Fiduciary application as used by the DFRDB Authority. I was never

informed personally by the DFRDB Authority my repayments would be for whole of life before I committed to accepting the benefit. Had I been informed of these conditions applied by the DFRDB Authority to the Lump Sum Benefit, I would probably not have applied for the commutation.

Peter Martin

31 August 2025