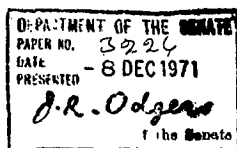


THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA



JOINT SELECT COMMITTEE ON DEFENCE FORCES
RETIREMENT BENEFITS LEGISLATION

I N T E R I M R E P O R T

December 1971

MEMBERSHIP OF THE COMMITTEE

Mr J.D. Jess, C.B.E., M.P. (Chairman)

Mr F. Crean, M.P. (Deputy Chairman)

Senator C.B. Byrne

Senator D.M. Devitt

Senator C.R. Maunsell

Mr L.H. Barnard, M.P.

Mr R.N. Bonnett, M.P.

Mr D.J. Hamer, D.S.C., M.P.

Clerk to the Committee

Mr D.W. Nairn

APPOINTMENT OF THE COMMITTEE

The Joint Select Committee on Defence Forces Retirement Benefits Legislation was appointed on 2 September 1970 pursuant to resolutions of the House of Representatives and the Senate. The resolution of appointment of the Committee provides -

- (1) That a Joint Select Committee be appointed to inquire into and report upon the Defence Forces Retirement Benefits legislation in relation to -
 - (a) its aims and objectives;
 - (b) the complexities of the legislation and any means by which the legislation might be simplified and improved;
 - (c) the rates of contribution by members;
 - (d) any differences, as between members, in the benefits provided;
 - (e) any anomalies and inequities that might exist;
 - (f) the frequency of and delays in actuarial investigations on the state and sufficiency of the Defence Forces Retirement Benefits Fund, and
 - (g) administration of the Fund.
- (2) That the committee consist of three Members of the House of Representatives to be appointed by the Prime Minister, two Members of the House of Representatives to be appointed by the Leader of the Opposition in the House of Representatives, one Senator to be appointed by the Leader of the Government in the Senate, one Senator to be appointed by the Leader of the Opposition in the Senate and one Senator to be appointed by the Leader of the Democratic Labour Party in the Senate.
- (3) That every appointment of a member of the committee be forthwith notified in writing to the President of the Senate and the Speaker of the House of Representatives.

- (4) That the Chairman be nominated by the Prime Minister from one of the members to be appointed by him.
- (5) That the Chairman of the committee may from time to time appoint another member of the committee to be Deputy Chairman, and that the member so appointed act as Chairman of the committee at any time when the Chairman is not present at a meeting of the committee.
- (6) That the committee have power to appoint sub-committees consisting of three or more of its members, and to refer to any such sub-committee any matter which the committee is empowered to examine.
- (7) That the committee or any sub-committee have power to send for persons, papers and records, to move from place to place, and to sit during any recess or adjournment of the Parliament and during the sittings of either House of the Parliament.
- (8) That the committee have leave to report from time to time and that any member of the committee have power to add a protest or dissent to any report.
- (9) That three members of the committee, including the Chairman or Deputy Chairman, constitute a quorum of the committee, and two members of a sub-committee constitute a quorum of the sub-committee.
- (10) That the Chairman or the Deputy Chairman presiding at a meeting have a deliberative vote and, in the event of an equality of voting, also have a casting vote.
- (11) That the committee report to the Parliament as soon as possible.
- (12) That the foregoing provisions of this resolution, so far as they are inconsistent with the standing orders, have effect notwithstanding anything contained in the standing orders.
- (13) That a message be sent to the Senate acquainting it of this resolution and requesting that it concur and take action accordingly.

2. Message No. 65 dated 2 September 1970, from the Senate was reported concurring in the resolution of the House. On the same day the House was informed that Senator Maunsell had been appointed by the Leader of the Government in the Senate. Senator Devitt had been appointed by the Leader of the Opposition in the Senate and Senator Byrne had been appointed by the Leader of the Democratic Labour Party in that House.

3. Mr Jess, Mr Hamer and Mr Bonnett were appointed by the Prime Minister, Mr Barnard (Deputy Leader of the Opposition) and Mr Crean by the Leader of the Opposition. The House was informed that Mr Jess had been appointed by the Prime Minister to be Chairman of the committee.

INTERIM REPORT

4. This interim report of the committee is to inform the Parliament of the progress of the committee's Inquiry to date and to set down the present intentions of the committee regarding its future programme.

PROGRESS OF THE COMMITTEE

5. The committee held 43 meetings of which 16 were public hearings. It has sat in Melbourne, Sydney, Canberra, Brisbane and Townsville and visited defence establishments in the vicinity of Townsville.

6. Early in the life of the committee a mode of procedure was agreed upon. The committee advertised in Service newspapers, the metropolitan daily press and the local press circulating in the vicinity of major defence establishments inviting submissions on its terms of reference from all interested persons.

4.

7. Because it was anxious that serving members of the Forces should have the unrestricted right to communicate directly with the committee it informed the Service authorities that this was its desire and arrangements were made for servicemen and women to be informed that they could write directly to the committee.

8. In response to its invitation the committee received 459 submissions concerning the scheme. Most of these were from individual members of the Defence Forces and retired members. However, submissions were also received from the Service Departments supported by the Service Boards and from organisations representing men and women serving in the Forces and retired members.

9. A selection of submissions was made for presentation at public hearings. The aim of the committee was to canvass as widely as possible the various views that had been expressed. Before embarking on this part of its Inquiry the committee requested Mr L.K. Burgess, Chairman of the Defence Forces Retirement Benefits Board to make a preliminary submission briefing the committee on the operation of the existing legislation. It then proceeded to hold the public hearings referred to in paragraph 5 and took evidence from the witnesses, both individuals and organisations, listed in appendix "A".

10. Having established to its satisfaction the views of persons affected by the scheme and other interested parties, the committee then deliberated on this evidence and extracted a list of matters upon which advice from the Defence Forces Retirement Benefits Board, the Commonwealth Treasury and the Commonwealth Actuary was required. These authorities were asked to make submissions on a number of points specified by the committee and the committee held a series of public hearings at which these submissions were presented. The committee completed taking evidence in public on 15 July 1971 and has been meeting regularly since then to deliberate on the evidence.

THE COMMITTEE'S FUTURE PROGRAMME

11. The committee has now reached general agreement on most of the issues of policy raised by the Inquiry. It had hoped to report its findings to Parliament before the end of the present sittings and has in fact been working with this aim in view since the Inquiry began. However, a number of matters need to be resolved before the committee can report its final conclusions and recommendations. These are of a complex, technical and financial character. Determining a basis upon which this information might be provided has presented difficulties. The committee has sought and obtained considerable assistance from the Commonwealth Actuary, Mr S.W. Caffin who has already been most helpful to the committee. Mr Caffin and the committee are handicapped by a shortage of data relating to the present scheme. This situation has arisen because the Defence Forces Retirement Benefits Board has not yet been able to provide the Commonwealth Actuary with data relating to the scheme for the period 1964-1969 or for the current period.

12. The Commonwealth Actuary has, however, agreed to provide the committee with the best estimates that can be obtained in the light of information currently available, but will not be able to provide these until early 1972. The committee has therefore, decided to withhold its final report until it has considered this information, but expects to present its findings to Parliament early in the Autumn sittings 1972.

A handwritten signature in dark ink, appearing to read "John D. Jess". The signature is fluid and cursive, with a large loop at the end.

John D. Jess
Chairman

7th December 1971

List of WitnessesAPPENDIX "A"

ALLARDICE*	I.T.	Chief Petty Officer
ANDERSON	R.	Acting Chief Executive Officer (Service Pay & Conditions), Department of Defence
AUSTIN*	M.	Brigadier, D.S.O., O.B.E. Deputy Adjutant-General, Personal Services, Department of Army
BLADIN	F.M.	Air Vice-Marshal, C.B., C.B.E. (retd), Chairman of the Defence Sub-Committee of the Returned Services League
BOND	F.	Major (retd), Federal Secretary, Regular Defence Forces Welfare Association
BOYLE	H.N.	Colonel (retd), Chairman of the Federal Executive of the Regular Defence Forces Welfare Association
BUCKLEY	K.W.	Chief Finance Officer in charge of the D.F.R.B. section of the Retirement Benefits Branch, Commonwealth Treasury
BULLOCK*	L.K.	
BURGESS	L.K.	Chairman of the Defence Forces Retirement Benefits Board
CAFFIN	S.W.	Commonwealth Actuary and Insurance Commissioner, Office of the Commonwealth Actuary and Insurance Commissioner
CHAPMAN*	D.R.	Air Commodore C.B.E., (retd)
COOK*	K.J.	Captain

* individual witness who presented his own submission

COOK*	L.P.	Flight Lieutenant
COOPER*	S.G.	Commander
CURTIS	W.J. O.B.E.	Acting Deputy Secretary Department of Defence
DODDRELL	E.G.	Manager, Investment Branch, Office of the Superannuation and Defence Forces Retirement Benefits Board
DOWNEY	A.C.	Lt. Commander, Trials & Assessing Unit, R.A.N. Edgecliff
DAVEY	R.C.	Assistant Secretary in charge of the Retirement Benefits Branch, Commonwealth Treasury
DAVIES	E.H.	Lt Colonel, Eastern Command
DAVIS	J.B.	Warrant Officer, WRAAC
DELLAMARTA	A.W.	Executive Officer (Service Pay and Conditions), Department of Defence
FINLAY	C.H.	Major-General, C.B., C.B.E. (ret'd) Honorary National Treasurer and Member of the National Executive, Returned Services League
FORDHAM	B.F.	Sergeant, Garbutt RAAF Base
FRANICH	F.M.G.	Assistant Adjutant-General, Director of Personal Services, Army Headquarters, Canberra
GOODALL*	B.M.	Warrant Officer
GRAVES*	A.J.	Lt. Commander (ret'd)
GREVILLE*	P.J.	Colonel
HANWELL*	R.S.	Major
HAWTHORNE*	G.	Flight Lieutenant
JAMES*	E.C.	Warrant Officer
JUDSON*	R.	Squadron Leader

* individual witness who presented
his own submission

KEANE*	W.J.	Major
KERR	W.D.	Department of Air
KEYS	A.G.W. O.B.E., M.C.	National Secretary of the Returned Services League
KNIGHT	E.S.	Consulting Actuary, Regular Defence Forces Welfare Association
LOCKWOOD	L.	Surgeon Rear Admiral (retd) Regular Defence Forces Welfare Association
LOCKWOOD*	L.M.	
McGREGOR*	R.W.	
MARTIN	R.D.	Senior Executive Officer (Policy) Naval Personnel Branch, Department of Navy
MATTHEWS*	O.W.	Major (retd)
MILLS*	R.G.	Wing Commander
MOORE*	D.H.	Major
O'BRIEN	W.K.	Squadron Leader Garbutt RAAF Base
OVENDEN*	P.J.	Warrant Officer
PATTERSON*	E.J.	Major
PEARSON	A.A.	Assistant Secretary attached to the Retirement Benefits Branch, Commonwealth Treasury
PERRIMAN	R.J.	Secretary, Defence Forces Retirement Benefits Board
PICKERING	H.A.H.	Group Captain, Director-General of Personal Services, Department of Air
POWELL*	N.M. Mrs	
RAMM	G.J.	Flight Sergeant, Garbutt RAAF Base

* individual witness who presented
his own submission

REES*	J.A.	
RIETHMULLER	G.P.	Chief Systems Artificer, Trials & Assessing Unit, R.A.N. Edgecliff
RUSSELL	A.J.	Deputy National Secretary, Returned Services League
SCRIVENOR	R.J.	Captain, RAN Director-General of Personal Services, Department of Navy
SHEPHERD*	R.S.	Warrant Officer
STAFFORD*	C.W.T.	Major
SWANSON	N.D.	Flight Lieutenant, Garbutt RAAF Base
TARLETON*	H.F.W.J.	Wing Commander (retd)
TREMBATH*	M.L.	Sergeant
TYLER*	A.W.	
WALLACE*	F.J.	Flight Sergeant
WATCHORN*	F.A.	Wing Commander
WOOLLARD+	R.P.	Colonel, Director of Personal Services "A", Army Headquarters, Canberra
WREN*	I.D.K.	Major
YOUNG	P.R.	Major (retd), N.S.W. Branch of the Australian Labour Party

* individual witness who presented
his own submission

+ since making this submission
Colonel Woollard has been
promoted to the rank of Brigadier