

1987-88

THE PARLIAMENT OF THE COMMONWEALTH  
OF AUSTRALIA

HOUSE OF REPRESENTATIVES

DEFENCE (SUPERANNUATION INTERIM ARRANGEMENT)

AMENDMENT BILL 1988

EXPLANATORY MEMORANDUM

(Circulated by authority of the Minister for Defence,  
the Hon. Kim Beazley, M.P.)

Defence (Superannuation Interim Arrangement) Amendment Bill 1988

Outline

The purpose of this Bill is to enable the application to members of the Defence Force of a 3% productivity superannuation benefit on an interim basis. This benefit flows on from the June 1986 decision of the Conciliation and Arbitration Commission which allowed for a corresponding benefit to employees. It is intended that the interim benefit be applied in two stages, the first from 1 January 1988 and the second from 1 January 1989 if the final form of the benefit has not been applied by then.

Financial implications

It is estimated that the introduction of this benefit for the Defence Force will result in the following expenditure by the Commonwealth:

<u>Financial year</u>	<u>Expenditure</u>
1987/88	\$m 0.470
1988/89	\$m 4.550

Expenditure in subsequent years will depend upon the final form adopted for the benefit.

Defence (Superannuation Interim Arrangement) Amendment Bill 1988

Notes on Clauses

Clause 1 - Short title

Formal.

Clause 2 - Commencement

This clause provides for the bill to commence on Royal Assent.

Clause 3 - New Part IIIAA

This clause inserts a new Part IIIAA into the Principal Act.

New section 52 - Determination of interim benefit

This proposed section empowers the Minister to determine an interim superannuation benefit for members of the Defence Force.

The benefit is interim because complex superannuation issues are involved in the application of the 3% productivity benefit to the government employment area and it is expected that these will take some time to be resolved.

The proposed section provides for the Minister to determine the interim scheme instead of the scheme being prescribed in the Principal Act. This was done because the scheme is an interim one and will soon be replaced by a permanent scheme.

Subclause (1) empowers the Minister for Defence to determine the scheme by instrument in writing.

Subclause (2) requires determinations to be not inconsistent with the Principal Act, the Naval Defence Act 1910 and the Air Force Act 1923.

Subclause (3) sets out guidelines for the Minister when making a determination. The Minister is required to have regard to the national wage case 1986 decision of the Conciliation and Arbitration Commission (which sets out the principle to be observed in drawing up agreements between employers and employees for superannuation schemes); to the Superannuation Benefit (Interim Arrangement) Act 1988 (which is to provide a corresponding scheme for the Public Service); and to the terms and conditions of service of members of the Defence Force and the arrangements for the administration of the Defence Force.

Subclause (4) is for the most part a standard provision which makes determinations disallowable instruments for the purpose of section 46A of the Acts Interpretation Act 1901. An effect is to apply the provisions of that Act which require instruments to be tabled in Parliament and to be subject to disallowance by Parliament. The subclause modifies section 46A slightly so that determinations which refer to other determinations may refer to them as in force from time to time.