Defence (Superannuation Interim Arrangement) Amendment Bill 1988

Date Introduced: 13 April 1988
House: House of Representatives
Presented by: Hon. Ros Kelly, M.P., Minister for Defence Science and Personnel

Digest of Bill

Purpose
To amend the Defence Act 1903 (the Principal Act), to empower the Minister for Defence to make an interim superannuation benefit to members of the Australian Defence Forces.

Background
The June 1986 decision of the Conciliation and Arbitration Commission granted a 3% superannuation payment to all members of the Australian workforce. Members of the Australian Defence Forces were advised in June 1987 that the Conciliation and Arbitration Commission's decision would flow on to all members of the Australian Defence Forces.

In keeping with its June 1987 undertaking, the Government has decided to apply an interim 1.5% superannuation benefit from 1 January 1988; and if necessary a further 1.5% interim benefit from 1 January 1989.

Members of the Australian Defence Forces qualify for the interim benefit through serving full time for a three month period. Service prior to 1 January 1988 counts towards the three month qualifying period. Members of the Defence Forces discharged on disciplinary grounds will not receive the interim benefit.

For a member leaving the Australian Defence Forces, the interim benefit will be calculated fortnightly over the relevant period of service on or after 1 January 1988. The calculation of the benefit is made on the basis that 1.5% of a member's salary had been invested on an accumulation basis for the relevant term of service. All increases in salaries are to be taken into
account. The interest rate applied in the calculation of the benefit during 1988 is the Commonwealth Government's long-term bond rate application on 1 January 1988 (on 1 January 1988 - 12.86%)².

The interim superannuation benefit will also apply to full-time members of the Reserve Forces and members of the Emergency Forces.

Main Provisions
Clause 3 will insert a new Part IIIAA to the Principal Act, that empowers the Minister for Defence to make determinations with respect to providing an interim superannuation benefit for members of the Defence Force.

The Minister for Defence may, by instrument in writing, make determinations in respect of members of the Permanent Forces and those members in continuous full-time service with the Reserve and Emergency Forces, on and after 1 January 1988 (proposed s.52(1)(a)−(b)).

The Minister for Defence in making a determination must have regard to principle 3 of the wage fixing principles adopted by the Conciliation and Arbitration Commission wage case decision of 26 June 1986 (which determined the principles to be observed in making agreements between employers and employees); provisions of the Superannuation Benefit (Interim Arrangement) Act 1988; and the terms and conditions of service of members of the Defence Force and arrangements for the administration of the Defence Force (proposed s.52(3)(a)−(c)).

References

For further information, if required, contact the Defence Group.

8 June 1988

Bills Digest Service
Legislative Research Service

This Digest does not have any official legal status. Other sources should be consulted to determine the subsequent official status of the Bill.

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