

## **EXPLANATORY STATEMENT**

### **Defence Force (Superannuation) (Productivity Benefit) Determination 2011 (No.1)**

ISSUED BY THE AUTHORITY OF THE MINISTER FOR DEFENCE SCIENCE  
AND PERSONNEL

Section 52 of the *Defence Act 1903* empowers the Minister to make determinations providing a superannuation productivity benefit in respect of continuous full time service by members of the Defence Force who are contributors to the Defence Force Retirement and Death Benefits (DFRDB) Scheme.

The Defence Force (Superannuation) (Productivity Benefit) Determination 1988 (the Principal Determination), made under section 52, makes provision for a 3% productivity benefit in line with the Conciliation and Arbitration Commission's June 1986 National Wage decision.

#### ***Factor used in the calculation of interest***

The Principal Determination credits notional interest on the 3% productivity contribution and SG top-up in accordance with factors set out in the schedule to the Principal Determination. It is necessary to amend the schedule to the Principal Determination to add the factor concerned in the calculation of interest applicable in respect of the period 1 January 2011 to 31 December 2011.

The factor taken into account is the 10 year Treasury Bond yield, declared on 31 December 2010 by the Reserve Bank of Australia and has been sourced from the Reserve Bank of Australia's website.

#### ***Individual amendments***

##### ***1. Amendment***

This clause specifies that an amendment is made to the Principal Determination as amended and is formal.

##### ***2. Commencement***

This clause provides for the amendments to have effect from 1 January 2011. No person, other than the Commonwealth, has been disadvantaged by this retrospective commencement.

##### ***3. Schedule (Factors Concerned in the Calculation of Interest Applicable in respect of Certain Calendar Years)***

This clause amends the Principal Determination by adding the factor concerned in the calculation of interest applicable in respect of the period 1 January 2011 to 31 December 2011.

***Legislative Instrument Act***

This amended Determination is a legislative instrument for the purpose of section 44(2) of the *Legislative Instruments Act 2003* (LIA) and is not subject to disallowance in accordance with item 39 of the table in subsection 44(2) or sunseting in accordance with item 42 of the table in subsection 54(2) of the LIA.

Consultation was considered inappropriate and unnecessary pursuant to paragraph 18(2)(g) of the LIA because the Determination relates to the service of members of the Australian Defence Force.

A regulation impact statement is not required.

Authority:  
Section 52 of the *Defence Act 1903*