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SUPERANNUATION AND OTHER BENEFITS LEGISLATION AMENDMENT BILL 1989 - Second Reading

Senator NEWMAN(9.31) âAs the shadow Minister for defence science and personnel, I join my colleague Senator Bishop in welcoming the measure which is before the chamber. However, I share her cynicism at the timing of its presentation to the Parliament. I draw attention to the fact that back in September 1986 I, along with my coalition colleagues and the Australian Democrats, fought tooth and nail against this measure which we found to be quite unconscionable. On 24 September 1986, the Minister for Finance, Senator Walsh, who was hell bent on getting this measure through the Parliament, referred to what he called `the sort of disgusting performance from the coalition that we saw earlier today'. He said:

The Australian Democrats were their usual mixture of irresponsible opportunism, coupled with occasional flights away with the fairies, whereas the Liberals displayed their usual stupidity, opportunism and cowardice.

That is what the Minister for Finance said back in September 1986 when he was introducing this measure, about the alarm and concern of the Opposition in this place, the people in the defence forces and former members of the defence forces who were so seriously affected by the measure. It was quite unjust and totally different from the short freeze on pensions with which the Government tried to equate the measure. This unfair, unjust measure has lasted from September 1986 to October 1989.

Recently, on 12 April, the Minister for Defence Science and Personnel, Mr Simmons, pointed out in a press release:

Although the DFRB and DFRDB pensions have been adjusted for the full increase in the CPI in the two years since 1986-

I do not know where he got that figure of two years from; I make it three-

the 2 per cent discount reduced the base on which these pensions have been calculated.

Therein lies the unfairness. Although the Minister does not go on to say that, I do. The reduction in the base of the pension, on which all further increases have been calculated, shows the gross inequity in the measure.

Of course, it is typical of this Government to treat its own employees and those who serve this country in such an underhanded and irresponsible manner. It is typical of the way in which the conditions of service of our Defence Force personnel have been whittled back in the long hard years since this Government came to power; although the remainder of its time in office is short. We have seen the results of the Government's treatment of Defence Force personnel in the alarming wastage rates, the loss of experienced personnel from our Defence Force. Certainly the Government can recruit more people at great cost and put them back into the forces, but we are reducing the experience level of our forces. Anybody who is concerned about the future security of this country has to be alarmed at what these measures have meant to the ability of this country to defend itself.

Of course, it goes without saying that those people who have actually had their pension base cut have been particularly concerned. In each Budget and mini-Budget since 1986 when the 2 per cent discount was implemented Defence personnel have gone on hoping that the Government and its leader would amend what had been done.

I remind the Senate what we were told in 1986 when this measure was taken. In the extraordinary circumstances of the economy-I am referring to the Minister's second reading speech-all members of the community were required to share the cost of reducing government expenditure. This is meant to be one of those measures. Let me remind the Senate what the Government's spending priorities were at that time. I referred to these measures when I debated the introduction of the 2 per cent cut back in September 1986. The Government was claiming then that this measure would save \$4.7m in that year and \$6.3m in a full year. Let us remember that it is three years on. Some of the measures which the Government then regarded as priorities included women surfboard riders, who received \$11,000 for a research project to provide a more comfortable surfboard for women. Mr Keating was getting \$17,000 for not sleeping in his own bed. The union movement was getting a \$1m art in working life program and prisoners in gaol were taking out \$1.4m in dole moneys. Those who were trying to defend the Americas Cup were being given \$30m. Nevertheless, the people who had served this country in the defence forces were having their pension entitlements unilaterally cut out from underneath them without any opportunity to make representations such as the protected trade union movement had through the Australian Council of Trade Unions when there might have been any such attempt to peg them back at all. The pensioners had no opportunity for consensus or consultation, or whatever the in word of the Government was at the time. That is what the spending priorities were in 1986 when this 2 per cent cut was made. In the May mini-Budget last year Defence Force personnel were told:

When foreign debt as a proportion of GDP is clearly on a falling trend and real wages are on a rising trend the Government will consider the issue.

I ask you, Mr Acting Deputy President, whether anybody in Australia can tell us that foreign debt as a proportion of gross domestic product is on a falling trend today. Can anybody acknowledge that real wages are on a rising trend today? Yet the Government has considered the issue. Why has the Government considered the issue? As my colleague Senator Bishop set out so well before, the Government has only considered this issue as part of a package of measures leading to a cynical election. It is buying votes like all those other measures which have been coming before the Australian people in recent weeks, including the Kodak (Australasia) Pty Ltd issue, the environmental movement and the sectional interests that are being bought off. Now they are wanting to try to reduce the concern in the Defence Force and the Defence Force pensioner community. It is a clearly cynical exercise in buying votes.

Let me remind the Senate what the then Minister for Defence Science and Personnel said in July 1988 about the parameters

required for the restoration of the 2 per cent discount on the Defence Forces retirement benefits and the Defence Force retirement and death benefits pensions. She said:

The current situation is that at the very least there are two criteria that will have to be met before it is economically responsible to restore the pre-October 1986 levels, the base on which indexation increases to Commonwealth superannuation pensions are calculated.

These criteria are:

. . . that there be a clearly established rising trend in real wages; and that Australia's foreign debt expressed as a proportion of gross domestic product must be on a falling trend.

Have those criteria been met? No, no, a thousand times no, they have not. Yet we have this measure brought before the Senate. It is a welcome measure because we fought its original introduction in 1986. Suddenly the Government has seen reason. Has it suddenly become more intelligent, caring and understanding of what this measure has done to the Defence Force's heart? No, it is simply facing an election-and everybody in Australia knows it.

We welcome the opportunity to face the Government at an election. I welcome the opportunity for the defence forces to show just what they think of what the Government has done to them over the years. We know what the Government is really on about. We know that this is an election measure. Nevertheless, we welcome it, because it is long overdue and will rectify something that should never have occurred in the first place. Soldiers are not going to be conned.

They are also terribly concerned at the moment about the assurances from the present Minister for Defence Science and Personnel, Mr Simmons, once again in relation to their superannuation entitlements. A review is under way into that superannuation scheme. The Minister has said 'Trust us. Current benefits will not be reduced'. How can they possibly trust this Government? Not one thing that it has touched relating to the defence forces has ever improved their lot. It has not kept its promises-and not just to the defence forces. I wonder what Broken Hill Proprietary Co. Ltd is saying today? Does it trust the Government? No, it does not. Nobody trusts this Government's promises any more, least of all the defence forces. It does not matter how we hear the protests rising from the Government benches, it is too late; it has had its chance. Its word is no longer taken as its bond, if it ever was. Certainly there are too many disaffected groups for the Government to buy off any more. The defence forces know the Government for what it is. This cynical measure, this restoration of the 2 per cent, welcome though it is, is yet another example of a desperate government struggling to hold on to power. It is too late, and it will not wash. Nevertheless, the Opposition welcomes the fact that justice is finally being done.