

# DEFENCE FORCE REMUNERATION TRIBUNAL

## ADF WORKPLACE REMUNERATION ARRANGEMENT: 2004 – 2006

### REASONS FOR DECISION

On 25 March 2004 the Tribunal considered an application by the Australian Defence Force (ADF) and the Commonwealth for the introduction of the ADF Workplace Remuneration Arrangement: 2004 – 2006. The Arrangement applies to members of Colonel and equivalent rank and below.

At the conclusion of the hearing the Tribunal indicated that it would make determinations giving effect to the increases in salary and pay related allowances sought by the ADF and the Commonwealth over the period of the Arrangement.

### THE ARRANGEMENT

The ADF and the Commonwealth have developed and agreed to a package which “recognises the continuing and significant program of workplace reform within the ADF under the Defence White Paper and related initiatives” and “acknowledges the commitment of ADF members to ensuring the effective implementation of these reforms.”

The Arrangement is an agreement between the ADF and the Commonwealth. The Tribunal was asked to give effect to the Arrangement pursuant to section 58KD of the *Defence Act 1903* which provides that:

*The Tribunal may in making a determination, give effect to any agreement reached between the Minister, acting on behalf of the Commonwealth, and the Chief of the Defence Force, acting on behalf of the members of the Australian Defence Force, in relation to a matter to which the determination relates.*

The Arrangement has been the subject of consultation with ADF members, the Returned and Services League of Australia, the Regular Defence Force Welfare Association and the Armed Forces Federation of Australia.

The Arrangement provides for a thirty month duration commencing on 6 May 2004 and concluding on 30 November 2006. The salary adjustments proposed under the Arrangement are:

- 2.5% with effect from 6 May 2004;
- 4.0% with effect from 4 November 2004;
- 2.0% with effect from 2 June 2005; and
- 1.5% with effect from 9 March 2006.

The increases are also to apply to pay related allowances.

#### The Armed Forces Federation of Australia

The Armed Forces Federation of Australia (ArFFA), in a written submission to the Tribunal, supported the ADF proposal in regard to quanta and duration. ArFFA was, however, of the view that the Tribunal should be provided with information relating to changes in areas not within the jurisdiction of the Tribunal to ensure that the overall fairness of the Workplace Arrangement to ADF members may be properly gauged.

The Federation also expressed concerns about the consultation process and submitted that “ADF personnel should have the right to vote on their remuneration arrangements.”

#### Returned and Services League of Australia (RSL)

#### Regular Defence Force Welfare Association (RDFWA)

The RSL and RDFWA, in a joint written submission to the Tribunal, also supported the ADF proposal in regard to quanta and duration. Both organisations expressed a concern in regard to “the level of participation by affected ADF members in the consultation and assessment of support phase.”

### **CONSIDERATION**

The Tribunal notes that the salary increases sought by the ADF and the Commonwealth are consistent with those for Defence civilian employees under the Defence Employees Certified Agreement: 2004 – 2006.

We also note the submissions in regard to the Arrangement only giving effect to those matters within the jurisdiction of the Tribunal. This is consistent with previous observations of the Tribunal. Notwithstanding this, the Tribunal would want to be informed of changes to be made elsewhere in remuneration related matters that may affect fairness of overall remuneration arrangements for ADF members.

The Tribunal commends the ADF in its efforts to widely consult with ADF members and we note that the ADF intends to review the process with the aim of achieving better attendance and response outcomes.

Having regard to the content of the Arrangement and the submissions of the parties we will make determinations to give effect to the salary increase and adjustments to pay related allowances provided in the Arrangement.

**APPEARANCES:** R Kenzie QC, Defence Force Advocate with Lieutenant Commander A Bradshaw, for the Australian Defence Force

J Shingles and M Montalban for the Commonwealth

**DATE AND PLACE OF HEARING:**

25 March 2004

Canberra