

DEFENCE FORCE REMUNERATION TRIBUNAL

SEPARATION ALLOWANCE

REASONS FOR DECISION

The Australian Defence Force (ADF) has sought changes to the provisions of Separation Allowance, on 5 December 2006.

BACKGROUND

Separation Allowance (SA) is currently payable under Determination No 2000/1 made under Section 58B of the Defence Act. The purpose of the allowance is to compensate members for the effects of service related separation from their dependants and to assist with additional expenses that may be incurred as a result of the separation.

The allowance is paid to members rendering continuous full time or reserve service at the rank of Major General (Equivalent) or below, at either:

- a. **A continuous rate.** A member receives the continuous rate of SA if he or she is a Member with Dependants (MWD) or a Member with Dependants Separated (MWD(U)) and receives any of Seagoing Allowance, Submarine Service Allowance, Specialist Operations Allowance or Special Action Forces Allowance. The continuous rate is based upon an average of 101 days separation per year and is currently \$658 per annum. It is paid fortnightly.
- b. **A daily rate.** A MWD(U) receives SA at the rate of \$6.52 for each day of the separation occurring after the 14th day of continuous separation.

SUBMISSIONS AND EVIDENCE

The Australian Defence Force (ADF)

The ADF submitted that Separation Allowance recognises both the intangible effects of separation from home and the additional costs that are often experienced by an ADF member while away from home, for which the member pays.

The ADF identified that there has been little change in the range of tangible costs that may be experienced by members during a period of separation and hence did not seek to vary the rates of the allowance.

The ADF sought changes to the structure of the allowance as follows:

- members who receive Seagoing Allowance, Submarine Service Allowance, Special Action Forces Allowance and Special Operations Allowance who are also categorised as Members with Dependants (Unaccompanied) are to receive the daily rate of the allowance instead of the continuous rate; and
- members who are posted to the Submarine Sea Training Group are to receive the continuous rate of the allowance, consistent with the treatment of members who are posted to the Surface Sea Training Group.

The ADF also sought the transfer of Separation Allowance to a separate Section 58H allowance.

The Commonwealth

The Commonwealth supported the ADF proposal, noting “that it, in effect, doesn’t propose any substantive change to the quanta or nature and structure of the allowance”.

The Armed Forces Federation of Australia (ArFFA)

ArFFA also supported the ADF proposal.

DECISION

Having considered the submissions of the parties, we will determine a Section 58H Allowance incorporating the changes sought. The parties are to submit a draft as proposed. The date of effect shall be on and from the date of the determination.

APPEARANCES: R Kenzie QC, Defence Force Advocate with Lieutenant
H Lewis for the Australian Defence Force.

M O'Neill with K Gifford for the Commonwealth.

G Howatt for the Armed Forces Federation of Australia.

DATE AND PLACE OF HEARING:

5 December 2006 - Canberra