



## **Australian Government**

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### **Defence Force Remuneration Tribunal**

## **DECISION**

*Defence Act 1903*

s.58H(2)(a)—Determination of the salaries and relevant allowances to be paid to members

### **1<sup>st</sup> RECRUIT TRAINING BATTALION – RECRUIT INSTRUCTOR** (Matter No. 2 of 2015)

THE HON. A. HARRISON, PRESIDENT

THE HON. A. BEVIS, MEMBER

CANBERRA, 10 SEPTEMBER 2015

BRIGADIER W. ROLFE, AO (Ret'd), MEMBER

[1] This decision arises from an application<sup>i</sup> made by the Australian Defence Force (ADF) pursuant to s.58H of the *Defence Act 1903* (the Act) to remunerate Recruit Instructors (RIs) posted to 1<sup>st</sup> Recruit Training Battalion (1RTB) with a remuneration package that includes a plus one pay grade, a disability allowance and a sustainability allowance.

[2] We were informed in this matter by an inspection to 1RTB at Blamey Barracks, Kapooka from 31 March to 2 April 2015. The matter proceeded to a hearing where Mr Jeffrey Philips SC appeared for the ADF and Mr James O'Reilly for the Commonwealth. Colonel Scott Winter AM, Director, Soldier Career Management – Army and Lieutenant Colonel Glenn Ryan CSC, Commanding Officer and Chief Instructor, 1RTB gave evidence for the ADF at the hearing.

### **Background**

[3] Since 1995 the specialised nature of the work of RIs at 1RTB has been recognised separately to other military instructors through differentiated remuneration. This commenced with a pay grade 4 (PG4) placement by this Tribunal in 1995<sup>ii</sup> and was later supplemented in 2006 by a bonus paid by the ADF under s.58B of the Act known as the '1RTB RI Bonus Scheme'. The RI bonus presently comprises attraction and completion payments designed to

address workforce issues impacting on Corporal (CPL) and Sergeant (SGT) ranks during postings to 1RTB.

[4] The ADF assert that the proposed remuneration package is a ‘significant advancement’ on the existing bonus and will demonstrate to suitable CPLs and SGTs that:

- a. Chief of Army values their contribution, commitment, skills and experience;
- b. Army is committed to investing in their career development; and
- c. they will be appropriately remunerated for the inherent disabilities associated with being an RI at 1RTB.<sup>iii</sup>

[5] It should be noted that all monetary values in this decision are reproduced as submitted in the application and do not provide for any Workplace Remuneration Arrangement (WRA) adjustments which have occurred since.

### **Submissions**

[6] In their submission<sup>iv</sup> the ADF proposes that the current RI bonus and the current PG4 placement be replaced by a remuneration package that:

- a. removes the current PG4 for RIs;
- b. introduces a plus 1 pay grade that remunerates each CPL and SGT posted to 1RTB as an RI for the additional responsibilities they exercise to be capped at pay grade 8;
- c. removes the non-reduction provision extension beyond 18 months for members posted as an RI to 1RTB who have a pay grade above PG4;<sup>v</sup>
- d. introduces a s.58H disability allowance of \$8,264 per year for RIs posted to 1RTB to compensate for the disabilities experienced by an RI during the course of their employment; and
- e. introduces a sustainability allowance of \$6,388 for RIs posted to 1RTB to alleviate the enduring work force pressures Army faces, and to encourage workforce behaviour outcomes that will assure the continued supply of quality RIs to 1RTB.<sup>vi</sup>

[7] The Commonwealth submission<sup>vii</sup> recognised the enduring workforce planning pressures in filling RI positions and acknowledged ‘disincentives’ to members accepting a posting including:

- a. long and unsociable hours;
- b. strain on family and relationships;
- c. being left behind colleagues in terms of trade skills and development;
- d. loss of opportunity for deployment;

- e. loss of financial incentives associated with other postings; and
- f. issues with employment [for] partners.<sup>viii</sup>

[8] The Commonwealth supported the decision to segment the remuneration package into three discrete components and considered that doing this would “*add transparency to better communicate the remuneration package and add flexibility to manage the...package.*”<sup>ix</sup> The Commonwealth agreed the plus pay grade advancement for the duration of a posting as an RI and submits that this “*recognises additional work value attributable to performing the duties of a RI irrespective of an individual’s primary employment category and pay grade placement.*”<sup>x</sup> The Commonwealth supported the proposition to create an RI disability allowance as well as the rate proposed.

[9] The Commonwealth opposed the quantum of the sustainability allowance. Having received further information from the ADF<sup>xi</sup> on how the proposed sustainability allowance would address workforce issues and deliver a positive behavioural effect, the Commonwealth made no further submission and, we have assumed, retains its opposition.

## Inspection

[10] Our inspection of 1RTB demonstrated the work value associated with the RI role, the range of disabilities associated with RI tasks, and the sustainability issues of maintaining a high performing workforce. Over the course of the three day program we had opportunity to meet many of the RIs and witnessed numerous serials which demonstrated the intensity of the role.

[11] The serials demonstrated to us the progression of recruits through training delivered by the RIs. The first day and a half concentrated on the delivery of lessons, supervision and activities in the first eight weeks of training. The final day of the inspection focussed on the activities and progress provided in the last four weeks of the training course.

## Evidence

[12] In the hearing Colonel (COL) Winter addressed two ‘drivers’ for 1RTB selection. Firstly the “*standards, values and behaviours that we want and need to instil in recruits are shaped in those critical first weeks [and that] CPLs and SGTs who are identified for 1RTB need to exemplify these traits.*” Secondly “*the importance of 1RTB as a professional development for CPLs and SGTs.*”<sup>xii</sup>

[13] Lieutenant Colonel (LTCOL) Ryan gave evidence that there have been a number of changes to recruit training since 1995. For example, in 1995 “*the 1990 training management plan...specified the delivery of 406 periods of instruction and...in comparison, the 2014 plan...specifies the delivery of 688 periods of instruction and leave has been reduced [from] a four day block of leave [to] three 8 hour blocks.*”<sup>xiii</sup>

[14] In evidence LTCOL Ryan indicated that despite the three distinct components the RIs “*don’t look at work value or disability...what they look at is the end figure and what that means to them as a person living in Wagga Wagga doing the duties that they do every day when they go to work.*”<sup>xiv</sup>

[15] We were informed that a ‘workforce attitude survey’<sup>xv</sup> had been completed by RIs at 1RTB in March 2015 and note that, for privacy reasons, the results would not be made available for the purposes of this matter. We noted the evidence of LTCOL Ryan that the survey found *“the most significant issue RIs face is work/life balance and they feel they are more scrutinised at 1RTB than any other unit [and that] it was also evident that about 33% of the workforce at 1RTB had not volunteered to be at 1RTB.”*<sup>xvi</sup>

### **Disability Allowance**

[16] LTCOL Ryan gave oral evidence on the disability factors, detailed in paragraph 7 of this decision, and in particular the predominant hours of duty from 0600 to 2200 daily. He referred in detail to the initial seven days of training where RIs provide *“100 per cent supervision of the recruits that have just arrived, for every hour they are awake.”*<sup>xvii</sup> He outlined the annual duration of RI duties and described that a CPL might undertake *“two Army recruit courses and a Reserve recruit training course per year”*<sup>xviii</sup> totalling up to 30 weeks per annum.

[17] Further oral evidence was given in hearing by LTCOL Ryan about the ability of RIs to take leave stating that a leave and respite policy is in place with the intention that every CPL must have *“three days short leave as a block period and, every six months, five day block leave so they can rest, recuperate [and] ready for future courses.”*<sup>xix</sup>

[18] We accept the use of the disability elements matrix<sup>xx</sup> in the development of this matter and acknowledge that the matrices used were developed with feedback from the RIs currently serving at 1RTB and adequately reflect the nature of the work.

### **Sustainability Allowance**

[19] The ADF submit that *“sustainability is one of the suite of measures which the Army has developed to persuade and entice and encourage the relevant numbers of CPLs and SGTs to serve in this most important role.”*<sup>xxi</sup>

[20] COL Winter gave oral evidence that sustainability *“forms an extremely invaluable component of...that capacity for us to convince the...CPLs and SGTs that this is a genuine organisational investment in them as an individual”*<sup>xxii</sup> and that the ability to *“incentivise and value service of those who post to 1RTB is therefore a critical capability and career management enabler.”*<sup>xxiii</sup>

### **Consideration**

[21] We gave detailed consideration to the RI role as witnessed during our inspection. We appreciate the need for the Army to post the highest calibre of CPLs and SGTs to 1RTB in order to instil in the recruits the values and behaviours which the Army requires.

[22] We accept the evidence of COL Winter that there is a need to ‘target’ the Army’s most talented junior and senior non-commissioned officers and that there are a number of mechanisms, sometimes influenced over a prolonged period of time, which are used to identify and recognise talent including annual reporting; discussions with individuals; meeting with command teams; and development of career advice.<sup>xxiv</sup>

[23] We note COL Winters evidence that soldiers who serve at 1RTB will be “*more competitive for promotion in the future*” and that a posting to Kapooka is viewed as an ‘investment’ in their professional development. We also noted Army’s desire to “*give them an undertaking for where their follow-on appointment will be*”<sup>xxv</sup> in order to influence behaviour. We have considered this matter on the basis that this is a “*way that [Army] can mitigate some of that turbulence [and] can further incentivise through a career management mechanism, postings to 1RTB.*”<sup>xxvi</sup>

[24] It is unfortunate that data from the ‘workforce attitude survey’ would not be provided for privacy reasons. We consider it likely that extracts of the data would have assisted in our consideration of this matter. Accepting the privacy constraints, we ask Army to consider that in the event of another survey, it be expressed to members that extracts of the data collected may be utilised for the purposes of salary and allowance setting. That data could be provided to us on an anonymous basis.

[25] We acknowledge the assessment of Wagga Wagga and Kapooka as “*generally non-preferred localities and therefore the requirement is that [Army] take a more nuanced approach to convince people of the value of serving at 1RTB.*”<sup>xxvii</sup>

[26] After the hearing we sought further information from the ADF on the sustainability and disability allowance components. Their reply indicated that “*the culmination of the three payments will demonstrate to suitable CPLs and SGTs that their contribution, commitment, skills and experience are being recognised, [that] Army is committed to investing in their career development, and they will be appropriately remunerated for the inherent disabilities associated with being an RI at 1RTB.*”<sup>xxviii</sup>

[27] We gave consideration to the number of changes that have occurred to RI employment since the inception of the category and initial pay placement. We accept the increased demands of organisational culture, adult learning practices and contemporary legal and governance requirements.

[28] We accept the evidence that all but four of the RIs posted to 1RTB are already at PG4 or higher and that the salary point approved in 1995 no longer provides incentive for CPLs and SGTs to take up a posting to 1RTB.

[29] We considered evidence that the RAN presently pays a completion bonus of \$10 000 for RIs at Recruit School and does not wish to pursue a similar pay grade or allowance construct. We were further informed that while Air Force do not currently pay a bonus to their military skills instructors at 1 Recruit Training Unit they have, in the past paid a \$5 000 s.58B instructor bonus.<sup>xxix</sup>

[30] We considered the evidence that a posting as an RI is an ‘out of category’ posting with members required to return to their parent employment category on completion. We accept that while at 1RTB RIs are required to maintain their qualifications and currency in their parent category and complete promotion prerequisite courses concurrent with the demands of their RI duties.

[31] Army’s desire to influence behaviour by demonstrating that there is real long term value in sending selected members to 1RTB is understood. We did however question the quantum ascribed to both the disability and sustainability allowances<sup>xxx</sup> and sought further

assistance in understanding the link between the proposed payments and the likelihood of their influencing workforce behaviour as a means of attraction.

[32] We were concerned that CPLS and SGTs might see the remuneration as simply a composite amount and not as addressing the three factors for which they would be remunerated. Despite this, we are satisfied that identifying the payment by reference to the three factors should be endorsed and, in any event makes it easier to administer.

[33] We questioned the date of effect for the changes to the sustainability and disability allowances proposed to be in July 2016, some 12 months in advance. We are not persuaded that a July 2016 operative date is any easier to administer than an earlier date of operation. We sought further advice from the ADF on this but we remain unconvinced that *“keeping [the] current 58B bonus for a further 12 months, in conjunction with the plus one pay grade, ensures that should any delays be experienced RI members would not be adversely affected.”*<sup>xxxii</sup>

### Decision

[34] We agree with there being three elements to the proposed remuneration structure. We have already made a determination giving effect to the replacement of the PG4 structure with a plus one pay grade, capped at pay grade 8, with effect from 2 July 2015.<sup>xxxii</sup>

[35] We are persuaded that there should be a sustainability and disability allowance. We agree that the DEM is an adequately objective measure to ascertain disability though determining an appropriate quantum for sustainability has been problematic. However judgement is required of us as to a suitable quantum likely to have the affect sought by the ADF. That is, whether the sum sought is likely to *“sustain people in a particular location with a particular variety of circumstances”*<sup>xxxiii</sup>.

[36] We accept that *“it is not one thing that will change [workforce] behaviours...it’s a combination of all these things that will hopefully make the disability they go through worthwhile to them...it makes it easier if they get remunerated for it.”*<sup>xxxiv</sup> We consider that, on balance, the quantum sought by the ADF is more likely than not to influence, in a positive way, the outcome sought.

[37] We seek to have a report back about whether the influence on workforce behaviour that is a key basis for the claim here made does, in fact, have the desired effect. Subject to any views of the parties as to a suitable time, we had in mind a report back in around March 2017. Additionally, at that time, we would be assisted by data on Army’s ability to have met the career management intent for individuals as outlined by COL Winter, as well as the practical implication of those results.

[38] We are not inclined to delay the date of effect of the determination reflecting this decision until July 2016. Nonetheless, we have decided there should be a reasonable period for it to be implemented and administrative arrangements put in place. We have concluded that the date of effect of the disability and sustainability allowances will be from the first pay period commencing on or after 01 March 2016.

[39] We will shortly issue a determination to give effect to this decision; it is to act in conjunction with Determination 3 of 2015.

THE HON. A. HARRISON, PRESIDENT  
THE HON. A. BEVIS, MEMBER  
BRIGADIER W. ROLFE, AO (Ret'd), MEMBER

*Appearances:*

*Mr J Philips SC assisted by Ms S Robertson for the ADF*

*Mr J O'Reilly assisted by Mr A McKechnie for the Commonwealth*

*Witness:*

*Colonel S A Winter AM, Director Soldier Career Management – Army.*

*Lieutenant Colonel G J Ryan CSC, Commanding Officer and Chief Instructor 1<sup>st</sup> Recruit Training Battalion.*

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<sup>i</sup> ADF listing application dated 13 March 2015.

<sup>ii</sup> DFRT Determination 25 of 1995

<sup>iii</sup> ADF letter DMR/OUT/2015/AB228860774 dated 12 June 2015.

<sup>iv</sup> ADF 1 – Review of 1<sup>st</sup> Recruit Training Battalion Recruit Instructor Salary and Allowances Submission dated 5 May 2015.

<sup>v</sup> The proposal at sub para 5b makes this obsolete

<sup>vi</sup> ADF1 page 7 paragraph 2.1

<sup>vii</sup> CWLTH 1 – 1<sup>st</sup> Recruit Training Battalion – Army Recruit Instructor dated 28 April 2015.

<sup>viii</sup> CWLTH 1 page 2 paragraph 7.

<sup>ix</sup> CWLTH 1 page 2 paragraph 8.

<sup>x</sup> CWLTH 1 page 3 paragraph 11.

<sup>xi</sup> ADF letter DMR/OUT/2015/AB22860774 dated 12 June 2015.

<sup>xii</sup> Affidavit of COL S A Winter AM dated 28 April 2015 page 2 paragraphs 6 and 7.

<sup>xiii</sup> Affidavit of LTCOL G J Ryan CSC dated 28 April 2015 page 3 paragraphs 9 and 10.

<sup>xiv</sup> Transcript of 05 May 2015 page 39 line 16.

<sup>xv</sup> Affidavit of LTCOL Ryan page 8 paragraph 25.

<sup>xvi</sup> Affidavit of LTCOL Ryan page 8 paragraph 25.

<sup>xvii</sup> Transcript page 27 line 22.

<sup>xviii</sup> Transcript page 28.

<sup>xix</sup> Transcript page 29 line 16.



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<sup>xx</sup> The disability elements matrix was developed as part of Matter 3 of 2012 – Salary Related Allowance Structure to allow s.58H allowances to be assessed and reviewed from a common standard and placed objectively and relatively.

<sup>xxi</sup> Transcript page 4 line 26.

<sup>xxii</sup> Transcript page 14 line 41.

<sup>xxiii</sup> Affidavit of COL Winter page 5 paragraph 23.

<sup>xxiv</sup> Transcript page 7 line 35 to page 9 line 37.

<sup>xxv</sup> Transcript page 11 lines 33 – 41.

<sup>xxvi</sup> Transcript page 12 lines 1- 3

<sup>xxvii</sup> Transcript page 10 line 15.

<sup>xxviii</sup> ADF letter dated 12 June 2015.

<sup>xxix</sup> ADF1 page 31 paragraphs 7.3 to 7.8

<sup>xxx</sup> Transcript page 20 line 38.

<sup>xxxi</sup> ADF letter dated 12 June 2015.

<sup>xxxii</sup> DFRT Determination 3 of 2015.

<sup>xxxiii</sup> Transcript page 50 line 30.

<sup>xxxiv</sup> Transcript page 39 lines 4 – 10.