



## **Defence Force Remuneration Tribunal**

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### **DECISION**

*Defence Act 1903*

s.58KD—Determination giving effect to agreement between the parties.

#### **ADF WORKPLACE REMUNERATION ARRANGEMENT 2020-2023 – SUPPLEMENTARY SUBMISSION NON-STAR RANK**

(Matter 12 of 2020)

MS I. ASBURY, PRESIDENT

MR A. MORRIS, MEMBER

CANBERRA, 2 NOVEMBER 2022

MAJGEN G. FOGARTY AO RETD, MEMBER

[1] This decision arises from a joint supplementary submission made under Section 58KD of the *Defence Act 1903* (the Act). The submission<sup>1</sup> seeks to vary the current Australian Defence Force (ADF) Workplace Remuneration Arrangement (WRA) 2020-2023 for members below the rank of Brigadier (O7) equivalent. This decision should be read in conjunction with our prior decision in this matter issued in September 2020.<sup>2</sup>

[2] A hearing was held on 2 November 2022 where Mr J. Phillips SC appeared for the ADF, and Mr H. Miller for the Commonwealth.

#### **Background**

[3] The WRA is the framework that allows for annual wage adjustments for members of the ADF. The 2020-2023 WRA provided for an increase to salary and salary related allowances of:

- a. 2.0 per cent with effect on 13 May 2021 (deferred from November 2020);
- b. 2.0 per cent with effect on 11 November 2021; and
- c. 2.0 percent with effect on 10 November 2022.

## Submissions

[4] The provisions of the Act permit the Tribunal, or the parties under joint agreement, to seek to vary the arrangement at any time should there be a need to do so.

[5] In this joint supplementary submission, the parties seek to vary the final increment of the extant WRA to a three per cent general wage increase to take effect on 10 November 2022, as opposed to the two per cent determined in 2020.<sup>3</sup>

## Consideration

[6] We considered the evidence that on 6 October 2022, the Government announced the *Public Sector Interim Workplace Arrangements 2022*.<sup>4</sup> We accept that, from 1 September 2022 to 31 August 2023, these arrangements repeal and replace the Public Sector Workplace Relations Policy 2020, and offer Commonwealth public servants a three per cent wage increase over the next year, at the time their particular annual pay rise falls due.

[7] We observe that, while our decisions are not subject to the Government's public sector workplace relations policies, we do give consideration to, and are informed by, such policies.

[8] In considering this increase, we inquired as to the impact on Star Ranked officers noting a 1.9 per cent increase applied to them on 4 August 2022.<sup>5</sup> We accept that this three per cent increase to non-Star ranks will again exacerbate any pay compression between the cohorts, which had been resolved when we determined the wage price index based increase for Star Ranked officers. We accept the parties will revisit this "*in August next year when another pay increase would fall due for the star-ranked officers and that would then be consistent with government policy as set out in the new arrangements*".<sup>6</sup>

[9] Further, and consistent with evidence in all submissions and matters before us at present, we gave regard to the workforce statistics, which "*demonstrate that the ADF workforce health trend is showing consistent deterioration*"<sup>7</sup> with separation rates "*heading towards 12 per cent*".<sup>8</sup>

[10] We echo the evidence outlined in our prior decision that each WRA "*signals the ADF's commitment to its workforce*". We again agree, "*the general wage increase it provides across salary and salary related allowances is but one significant way that the ADF signals to its members that their contribution is valued over platforms, and that they are of vital importance to the overall health of the ADF*". Lastly, we consider it remains "*absolutely essential*" the ADF remains competitive in the current employment market.<sup>9</sup>

## Conclusion

[11] We agree to vary the final increment of the WRA 2020-2023 such that the two percent general wage increase that was to take effect on 10 November 2022 to non-Star rank members of the workforce be varied to a three per cent general wage increase.

[12] Determination 6 of 2022 will give effect to this decision from 10 November 2022.

MS I. ASBURY, PRESIDENT  
MR A. MORRIS, MEMBER  
MAJGEN G. FOGARTY AO RETD, MEMBER

*Appearances:*

*Mr J. Phillips SC for the ADF assisted by Mr P. Flintoft*

*Mr H. Miller for the Commonwealth assisted by Mr N. Doukas*

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<sup>1</sup>2020 Workplace Remuneration Arrangement non-Star Ranks supplementary submission - Joint Submission (EXH 4).

<sup>2</sup> [Decision - ADF Workplace Remuneration Arrangement 2020-2023.](#)

<sup>3</sup> [Determination 4 of 2021 - ADF Workplace Remuneration Arrangement 2020-2023.](#)

<sup>4</sup> [https://www.apsc.gov.au/initiatives-and-programs/workplace-relations/public-sector-interim-workplace-arrangements-2022.](https://www.apsc.gov.au/initiatives-and-programs/workplace-relations/public-sector-interim-workplace-arrangements-2022)

<sup>5</sup> [Statement - ADF Workplace Remuneration Arrangement 2020-2023 - Star Rank Senior Officers Variation.](#)

<sup>6</sup> Transcript 2 November 2022 page 3 lines 35 to 38.

<sup>7</sup> EXH 4 page 2 paragraph 10.

<sup>8</sup> EXH 4 Annexure B *ADF Workforce Summary*

<sup>9</sup> [Decision - ADF Workplace Remuneration Arrangement 2020-2023](#) pages 4 and 5 paragraphs 16 and 17.