



# Defence Force Remuneration Tribunal

## DECISION

*Defence Act 1903*

s.58H—Functions and powers of Tribunal

### **Military Factor Framework – Establishment of Crew G Allowances**

(Matter 5 of 2026)

MS B O'NEILL, PRESIDENT

MS A LESTER, MEMBER

CANBERRA, 29 JUNE 2026

MAJGEN G FOGARTY AO RETD, MEMBER

[1] This decision arises from a listing application from the Australian Defence Force (ADF) for a determination to be made under Section 58H of the *Defence Act 1903* (the Act). The listing application<sup>1</sup> seeks the establishment of Maritime Crew G Allowances within the Military Factor Framework (MFF).

[2] We considered this matter in a hearing on 28 May 2026. Mr P Keane assisted by Mr P Rudd appeared for the ADF and Mr K Wong assisted by Ms T Karacic appeared for the Commonwealth. Captain (CAPT) M Hoffman CSC RAN, Director Nuclear and Conventional Submarine Workforce Development, appeared as a witness for the ADF.

### **Background**

[3] The Tribunal previously considered the levels of disability faced by seagoing personnel, and approved appropriate allowances to compensate for these conditions, in Matter 24 of 2012 *Seagoing and Submarine Service Allowances*<sup>2</sup> and Matter 8 of 2022 *ADF Modernisation Program Tranche 2*.<sup>3</sup>

[4] The decision in Matter 8 of 2022 led to the implementation of the MFF matrix, a 12-tier structure that evaluates environmental, sustainability, and risk of harm factors to determine an appropriate rate of allowance for unique military roles, whilst also considering the cumulative disability and effect on capability of personnel.<sup>4</sup>

[5] Currently ADF submariners qualify for Maritime Crew D (Submarine) allowances at the tier appropriate to their accrued period of maritime sea service. They receive this allowance when posted to Royal Australian Navy (RAN), United States Navy (USN), or Royal Navy (RN) submarines, even though Crew D allowances have been set to conditions relevant to service on RAN Collins Class Submarines (CCSM).<sup>5</sup>

[6] RAN personnel have been posted to USN and RN SSNs since April 2024, with the first AUKUS ab initio personnel commencing overseas training in mid-2026. As of March 2026, 204 RAN personnel are in the USA taking part in AUKUS training, with 107 in shore training and 97 posted to USN SSNs. To date, 5 officers have commenced SSN training with the RN, with 2 currently posted to a RN SSN.<sup>6</sup>

## **Submissions**

[7] RAN personnel posted to USN and RN SSNs are subject to the host nation's Operational Tempo (OPTEMPO) and Personnel Tempo (PERSTEMPO) policies. The ADF submits these policies result in significantly greater rates of disability, including longer absences from home, and higher duty requirements. To address these more onerous living and working conditions, the ADF proposes the establishment of a new crewing category, Crew G.<sup>7</sup>

[8] The ADF specifically seeks to:

- Establish a MFF Maritime Class G vessel, being a USN or RN SSN used for postings of RAN AUKUS program members.
- Establish a Maritime Crew G allowance, titled 'Crew G – SSN', at plus 2 to the existing MFF Crew D tier placement based on accrued periods of maritime sea service.
- Backdate the allowance to 20 April 2024, allowing a retrospective application of the additional tiers payable for Crew G.
- Establish an interim payment arrangement for Crew G – SSN for eligible members to receive supplementary payments, which represents a plus 2 tier increase, until a pay system update to enable implementation of MFF Crew G placements can be implemented.<sup>8</sup>

[9] Table 1 shows the proposed tier placements based on accrued periods of sea service:

**Table 1: Proposed Crew G SSN tier remuneration**

Accrued period of maritime sea service	Current Crew D - SUB Military Factor Tier	Proposed Crew G – SSN Military Factor Tier
Level 1 0<2 years	Tier E – \$29,136	Tier G – \$38,222
Level 2 2<4 years	Tier G – \$38,222	Tier I – \$47,308
Level 3 4<6 years	Tier I – \$47,308	Tier K – \$56,394
Level 4 6<8 years	Tier J – \$51,851	Tier L – \$60,937
Level 5 8<10 years	Tier K – \$56,394	Tier M - \$65,480
Level 6 10+ years	Tier L – \$60,937	Tier N - \$70,023

[10] The ADF submits that AUKUS SSN careers involve unique challenges for personnel, with greater impacts on family than many other roles. This is due to heightened security requirements, curtailment of home contacts, limitations on leave and leisure time, and lack of personal space aboard an SSN. The AUKUS program also involves challenges for the ADF, with SSN personnel being a critical high value workforce, with continued attraction and retention essential to deliver on AUKUS timelines.<sup>9</sup>

[11] The Commonwealth does not oppose the ADF submission and acknowledges that members aboard USN SSN platforms experience a broad range of disabilities and impacts on family life.<sup>10</sup>

[12] The Commonwealth queries the justification provided for extending the Crew G allowances to personnel posted to RN SSN platforms, noting the more limited sample size and evidence presented of living and working conditions.<sup>11</sup>

[13] The Commonwealth submits that the proposed two-year progression through the tier placements, as shown Table 1, does not align with the initial three-year posting of RAN SSN personnel to the AUKUS program. This misalignment will result in tier progressions being achieved in the middle of career postings rather than at the beginning of the next posting cycle, and *‘that from a workforce sustainment perspective, aligning an increase in remuneration with career decision points would provide an enhanced retention effect for what is a cohort critical for the success of the AUKUS program’*.<sup>12</sup>

[14] Whilst it is accepted that retaining a two-year progression is simpler in transparency and implementation, the Commonwealth notes prior arguments in Matter 8 of 2022 that *‘increased remuneration for returning to sea is a powerful lever to influence workforce behaviour’* particularly when targeted at the *‘most critical points in a member’s seagoing career’*. This incentive may lose its targeted focus with the misalignment of posting cycles.<sup>13</sup>

## Witness Evidence

[15] CAPT M Hoffman CSC RAN gave written and oral evidence on the challenges faced by the SSN workforce, relayed feedback from RAN personnel serving onboard both USN and RN SSNs, and explained that the *‘core justification for this proposal is grounded in clear, measurable, quantitative differences between CCSM and SSN service’*.<sup>14</sup>

[16] CAPT Hoffman noted that whilst a number of personnel serving on SSNs have had exposure to conditions on a CCSM,<sup>15</sup> *‘the demographic profile of the overseas SSN workforce reflects a predominantly junior and early-career cohort’* with *‘a significant proportion of members who are accompanied by families overseas’* or who face *‘geographically separated arrangements while serving in the program’*.<sup>16</sup> CAPT Hoffman explained that *‘these factors are relevant when considering the cumulative impact of extended absences and high operation tempo’*.<sup>17</sup>

[17] He summarised the feedback received by RAN SSN personnel, noting the experience has been repeatedly described *‘as “awesome,” “an adventure,” and overwhelmingly worthwhile’* and states *‘there is strong support for the SSN pathway, with it viewed not only as a demanding assignment, but as one of the most rewarding experiences of their naval careers’*.<sup>18</sup>

[18] CAPT Hoffman highlighted feedback of *‘the pressures of extended deployments, higher duty watch requirements alongside, limited respite between deployments and rapid transitions from extended periods at sea directly into intensive maintenance phases and ongoing duty obligations’*<sup>19</sup> noting *‘our personnel have not been shy in coming forward to express concerns around a number of different things, ranging from work/life balance, from perceptions of differences in doing business, and the deployments’*.<sup>20</sup>

[19] CAPT Hoffman offered his opinion that it is *‘important that we recognise the additional burden that [RAN SSN personnel] are actually experiencing and acknowledge their concerns and be seen to act upon them’*.<sup>21</sup>

## Consideration

[20] We acknowledge the highest priority for the RAN SSN workforce is the development of crews required for the Virginia Class SSNs under the AUKUS partnership. This requires RAN SSN submariners to participate in extensive training and sea postings within the USN to build qualifications and experience. We note the smaller number of personnel within the Nuclear Marine Engineer Officer Submarines employment category currently training with the RN as part of the future Nuclear Submarine – AUKUS (SSN-A) class pathway.<sup>22</sup>

[21] During the hearing we sought clarification on the scope of eligibility for the proposed Crew G allowance in respect of routine postings to the USN. We accept CAPT Hoffman’s explanation that the proposal is deliberately limited in scope to personnel on the AUKUS pathway, noting RAN personnel *‘have been doing activities for many, many years in just the normal rotation and engagement and relationship with the US...and they are essentially compensated through the normal seagoing [allowance]’*.<sup>23</sup>

[22] We acknowledge a comparison of the OPTEMPO and PERSTEMPO policies between CCSM and USN SSN service result in greater disability for personnel training on a USN SSN when considering annual sea days, the total days away from home station, the requirements of duty watch assignments, and the leave/respite arrangements. We further acknowledge comparative data for the RN SSNs is not as easy to obtain, and the RN submarines have a larger crew which offers the potential for extra time ashore through crew rotation.<sup>24</sup>

[23] We note however, CAPT Hoffman's evidence that this RN option to rotate a crew out *'works to a point. But it doesn't assist the senior personnel on board, like the Commanding Officer and the Executive Officer. They don't have that ability to change out, so they are doing those full deployments'* and the reason our personnel are there is to learn and build experience, *'so we'd be less keen, and the Royal Navy would be less keen, to rotate our people off that boat during a deployment'*.<sup>25</sup>

[24] In considering the evidence of environmental differences between the CCSM and the USN SSN living and working arrangements, we accept service on USN SSNs requires:

- Increased sea day absences
  - Approximately 30% more sea days, longer deployments and longer periods when the submarine is dived
- Increased duty watch requirements
  - Increases range from 5%-13% greater, impacting respite from work
- Increased curtailment of home contacts
  - Crews have experienced months with no family communications
- Increased secrecy
  - All SSN movements and tasking are classified, family cannot be informed about boat schedules or movements
- Increased lack of leisure
  - Less leisure time when alongside, with long days and weekend work common
- Widespread 'hot racking'
  - Where 3 crew members will share 2 bunks and 2 storage lockers
- Decreased provision of on-shore accommodation
  - Hotel accommodation is only provided to those currently 'hot racking' and then only on a rotation/shared basis
- Acceptance of differences in atmosphere specifications, reporting and hazard classifications
- Acceptance that fresh food options decline as deployment lengths affect resupply

[25] We acknowledge the significantly greater family and relationship impacts, the pressure of accelerated USN SSN continuums, and the difference in expectations under PERSTEMPO policies, and agree that *'these conditions impose a sustained and material hardship that warrants separate placement'* within the MFF.<sup>26</sup>

[26] We note the Commonwealth's concerns about extending the Crew G allowance to both personnel posted to USN SSNs and to the officers posted to the RN SSNs, noting the lesser amount of evidence and feedback provided for those latter roles. During the hearing we questioned whether the assessment of the heightened disabilities that warrant the Crew G allowance are commensurate across both platforms. We accept CAPT Hoffman's assessment that whilst *'it wasn't [his] feeling initially'*, based on an assessment of the seagoing demand and OPTEMPO of the RN, the proposal is justified.<sup>27</sup>

[27] Additionally, we note CAPT Hoffman's evidence that *'whilst the optimal pathway is heavily geared towards the US system at the moment, that won't always be the case. Eventually, over time, we're going to pivot back toward the Royal Navy, based on the design of the future boat'*.<sup>28</sup> We accept that the ADF will be placing personnel onto the RN platforms in growing numbers, and the Crew G allowance will assist in attracting people into the RN option.

[28] We considered the evidence that the proposal *'represents roughly a 30 percent increase on the baseline Crew D rate, which aligns broadly with the 30 percent increase in operational tempo of sea days'*.<sup>29</sup> During the hearing we noted the conservative nature of the proposal and queried the risk of it not meeting the expectations of SSN posted personnel.<sup>30</sup> We accept CAPT Hoffman's evidence that whilst remuneration is important, personnel are seeking *'recognition that they are performing these arduous duties above and beyond what we're seeing in Collins'* and that *'from senior feedback, that it's more about the recognition than the money'*.<sup>31</sup>

[29] We note the Commonwealth's concerns regarding the alignment of sea postings and movement through the MFF tiers. We acknowledge the ADF's responses that *'the tier structure is based on cumulative sea service exposure, not individual posting length'*<sup>32</sup> and that *'progression is designed to reward sustained participation in the SSN pathway over time, rather than align exclusively to posting cycles'*.<sup>33</sup> We agree that simplicity of implementation and consistency with the existing two year progression through the submarine workforce frameworks is desirable, and will *'preserve predictability across Navy sea-going cohorts'*.<sup>34</sup>

## **Conclusion**

[30] In closing, we agree that given the importance of the AUKUS program, and the strategic challenges of attraction and retention of suitable personnel, the ADF must provide a competitive package which appropriately compensates RAN personnel posted to USN and RN SSNs.

[31] We note that such postings will continue until RAN sovereign-ready platforms and training facilities are available in sufficient capacity to meet the SSN workforce demand.<sup>35</sup>

[32] We agree that the proposed amendment to the MFF recognises the additional disability and environmental conditions experienced by RAN personnel posted to SSNs on the AUKUS program and that the increased allowance is *'fair, transparent, and aligned with the principles of the MFF, whilst supporting workforce sustainability during this critical capability transition'*.<sup>36</sup>

[33] We agree with the application of a retrospective date of effect of 20 April 2024, which will allow retrospective application of the allowance to eligible personnel. We note an interim payment arrangement will be established for personnel to receive supplementary payments until the new Crew G tier placements can be implemented with the MFF.

[34] Determination 5 of 2026 gives effect to our decision from 2 July 2026.

MS B O'NEILL, PRESIDENT  
MS A LESTER, MEMBER  
MAJGEN G FOGARTY AO RETD, MEMBER

*Appearances:*

*Mr P Keane for the ADF assisted by Mr P Rudd*

*Mr K Wong for the Commonwealth assisted by Ms T Karacic*

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- <sup>1</sup> BN119906154/ 2 March 2026 *Listing Application*
- <sup>2</sup> Decision – Matter 24 of 2012 – [Seagoing and Submarine Service Allowances](#)
- <sup>3</sup> Decision – Matter 8 of 2022 – [ADF Modernisation Program Tranche 2](#)
- <sup>4</sup> ADF Submission *Matter 8 of 2022 – ADF Allowance Modernisation Tranche 2: Military Factor Framework Volume 1*, paragraph 3.8
- <sup>5</sup> ADF Submission *Matter 5 of 2026 ADF Military Factor Framework – Crew G Establishment*, (ADF1) filed on 24 April 2026, page 7, paragraph 1.2
- <sup>6</sup> ADF1, pages 22-23, paragraphs 3.4-3.6
- <sup>7</sup> ADF1, page 8, paragraphs 1.5-1.6
- <sup>8</sup> ADF1, page 9, paragraph 1.9
- <sup>9</sup> ADF1, pages 32-33, paragraph 4.5
- <sup>10</sup> Commonwealth Submission *Matter 5 of 2026 ADF Military Factor Framework – Crew G Establishment*, (Comm1) filed on 18 May 2026, page 8, paragraph 41
- <sup>11</sup> Comm1, page 8, paragraph 42
- <sup>12</sup> Comm1, page 8, paragraphs 44-45 and transcript page 8, lines 7-9
- <sup>13</sup> Comm1, page 9, paragraphs 47-48
- <sup>14</sup> Affidavit of Captain Matthew Hoffman, signed 7 May 2026 (ADF2)
- <sup>15</sup> Transcript page 13, lines 9-11
- <sup>16</sup> ADF2, page 3, paragraph 12
- <sup>17</sup> ADF2, page 3, paragraph 12
- <sup>18</sup> ADF2, page 11, paragraph 21
- <sup>19</sup> ADF2, page 5, paragraph 22
- <sup>20</sup> Transcript page 12, lines 43-45
- <sup>21</sup> Transcript page 16, lines 18-20
- <sup>22</sup> ADF1, page 7, paragraph 1.3
- <sup>23</sup> ADF1, page 37, paragraph 5.3 and transcript page 18, lines 19-44
- <sup>24</sup> ADF1, pages 32 and 33
- <sup>25</sup> Transcript page 15, lines 25-31
- <sup>26</sup> ADF1, pages 34-35, paragraphs 4.6-4.7
- <sup>27</sup> Transcript page 19, lines 20-44
- <sup>28</sup> Transcript page 19, lines 36-39
- <sup>29</sup> Transcript page 5, lines 29-31
- <sup>30</sup> Transcript page 18, lines 1-2
- <sup>31</sup> Transcript page 18, lines 5-13
- <sup>32</sup> Comm1, page 9, paragraph 4.7
- <sup>33</sup> Comm1, page 9, paragraph 4.7
- <sup>34</sup> Comm1, page 9, paragraph 4.7
- <sup>35</sup> ADF1, page 7, paragraph 1.4
- <sup>36</sup> ADF1, page 8, paragraph 1.6