

**DEFENCE FORCE REMUNERATION TRIBUNAL**

**MATTER NO 8 OF 2006**

**ADF ENGINEERING OFFICERS PAY CASE**

**STATEMENT**

The Tribunal has reached an interim decision on this matter.

This case covers a significant portion of the ADF's general officer population - over 20%. However, during proceedings, issues arose requiring further consideration by the parties. It became apparent that this case was the precursor to others for significant salary increases across the general officer categories. Placement proposals for 01 to 06 officers had been developed without considering the relationship with the star rank officers pay structure. Also, argument in support of the placement proposals to some extent relies on external pay comparisons, applying methodology we do not accept.

Further, the Services' proposals involve issues wider than those specific to engineers.

- Navy proposes to apply the pay group set here for a ship's Engineer Head of Department to other officer employment categories, and as the basis for higher placement for command roles.
- Army's proposal applies to Engineers a generalised model with which the Tribunal previously expressed problems. These concerns were confirmed in the evidence of Brigadier Symon, such that the Tribunal is obliged to reject Army's proposals. We make the following brief observations on the Army's proposal:
  - Completion of a course which is a pre-requisite for promotion would appear to be recognised in salary on promotion and continued progression in the rank scale.

- It is the value of the work done that is the relevant consideration. Consequently, it is not the acquisition of skills through training or development programs that establishes work value; it is the application of those skills that is critical. Acquiring the skills changes little. In assessing work value, the Tribunal considers the application of skills in the workplace.
- A difference in work value arises with a significant change. The Tribunal is as yet unpersuaded on the change points in Army's model and on the extent of change distinct from the increasing responsibilities of rank.
- The Tribunal is not persuaded by arguments as put so far that appear to propose the permanent placement of officers possessing command experience in a higher salary group than other officers, irrespective of the nature of their employment post-command.
- We are skeptical about this model being applied to Army officers already placed more highly in the pay group structure.

The case for Airfield Engineers was not fully developed by the time of the hearing and requires further elaboration. We note that the Airforce case for aeronautical engineers appears reasonably compatible with the existing benchmark roles in the officer salary structure. Similarly, we note sound systems within Navy for the application of professional skills to work. Our questions relate to the proposed progression through pay groups. If Army is to sustain a case for higher placement of Engineers it will need sound methodology to establish where significant difference occurs in the value of the work done, difference that is unrewarded in rank progression.

Because this case involves placement of large numbers of officers, seen by the ADF as benchmarks for others, in circumstances where the parties acknowledge not all factors have been considered, we think it unwise to progress beyond an interim decision at this stage. We have determined to place Engineers in Pay Group 3 unless already in a higher

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pay group, and to reconsider the matter as part of the General Officer placement case programmed for May 2007.

We will consider submissions at that time about date of effect of the placements determined.

The change to Pay Group 3 is to apply on and from Thursday, 22 February 2007.

The parties should provide a draft determination giving effect to the changes within fourteen days.