

DEFENCE FORCE REMUNERATION TRIBUNAL

SUBMARINE SERVICE ALLOWANCE SEAGOING ALLOWANCE AND HARD LYING ALLOWANCE

DECISION

The Australian Defence Force (ADF) has sought a review of Seagoing Allowance, Submarine Service Allowance and Hard Lying Allowance.

THE ALLOWANCES

Submarine Service Allowance

Submarine Service Allowance (SSA) is paid to submariners who are posted to, or available for posting to, a seagoing submarine. The trainee element of the allowance is paid to members undergoing training to qualify as submariners.

The current structure and rates of SSA are:

Seagoing Rate

<u>Cumulative Sea Service</u>	<u>Annual Rate</u>
Completed less than 4 years	\$18,593
Completed 4 but less than 8 years	\$19,396
Completed 8 or more years	\$20,200

Shore Rate

\$5,358

Trainee Rate

\$13,235

The shore (qualification) rate ceases to apply when a member does not return to a submarine posting within 3 years of being posted away.

1995 Review

The last detailed review of SSA was conducted by the Tribunal in 1995 (Matter No 1 of 1995). At that time, the ADF sought a restructure of the allowance into two tiers: a qualification and skill rate based on years of service in the Submarine Arm; and a disability component comprising both a base rate and a disability rate for days spent at sea. The ADF relied substantially on crewing difficulties in the Submarine Arm and sought a significant increase to the allowance which it said would attract sailors from the surface fleet and new recruits, as well as improve the retention of submariners.

The ADF indicated that an increase in the allowance was only one of a number of issues being addressed by Navy in relation to personnel levels in the Submarine Arm. In this regard, Navy had developed a Manpower Strategy for the Arm and advised that implementation of various measures, including manning, training, management and conditions of service initiatives, had commenced in October 1994.

The Tribunal decided that the existing structure of SSA would be retained and that the allowance would continue to be paid as two rates, a shore rate and a seagoing rate. In relation to the quantum of the allowance, the Tribunal decided that there were special circumstances which warranted the continued reliance upon elements of attraction and retention in the assessment of the allowance. The Tribunal also took into account other matters in making its assessment of the new rates for the allowance, such as the increased workload being undertaken by submariners. The Tribunal also had regard to the management measures being taken by Navy to address the crewing difficulties.

1999 Review

In 1999 (Matter No 3 of 1999) the ADF sought an interim review of SSA based on the problems still being experienced with attraction and retention of submariners. The ADF submitted that the review was required because of the unprecedented and unpredictable circumstances in attracting and retaining submariners. The interim review was said to be required pending a full work value review of the allowance once the Collins Class submarine became fully operational. The changes to the allowance proposed by the ADF were:

- the creation of a tiered structure;
- the establishment of a nexus between Seagoing Allowance and SSA; and
- increases in the rates of SSA as a result of applying the proposed structure.

In its decision the Tribunal noted the existing exceptional circumstances facing the Submarine Arm including:

- acute personnel shortages;
- technical difficulties experienced with the introduction of the Collins Class submarine;
- the need to retain the Oberon Class HMAS OTAMA in service longer than expected;
- problems related to the final move of the submarine fleet to Western Australia;
- the very long period that submariners are required to spend away from their families;
- the excessive sea time worked;

- the lack of shore support; and
- the impact of these issues on morale.

The Tribunal approved, on an interim basis, the new structure and rates proposed by the parties. In doing so it noted that “a fundamental review of SSA, based on work value considerations, would be called when the Collins Class of submarine becomes fully operational”, and that “the increases and restructured nature of the allowance will be taken into account when that review is undertaken”.

In its decision, the Tribunal raised concerns about reliance on increases in pay and allowances in dealing with problems relating to attraction and retention. The Tribunal directed that “there should be a report provided to the Tribunal in six months time on the implementation of the various measures to address the current personnel shortages in the Submarine Arm and the impact of the changes now made to SSA”.

Report Back

On 16 December 1999 the ADF provided a report back as directed by the Tribunal. The ADF called Rear Admiral Briggs, the (then) head of the Submarine Capability Team, who gave evidence on the environment in which submariners were operating and reported on the progress of implementation of the various management initiatives intended to redress the manning difficulties.

The ADF submitted at that time that there was a need for a further 12 to 18 months of operational running for the Collins Class submarines before being able to accurately assess the work value of submariners on that platform and the relationship between Submarine Service and Seagoing Allowances.

Seagoing Allowance

Seagoing Allowance (SGA) is paid to members of the ADF for the duration of a posting to a seagoing ship or a ship in refit. The allowance is paid as compensation for the particularly uncomfortable living and working conditions encountered in ships, for the inability of members to use their leisure time effectively, for the exceptionally long hours worked and for the curtailment of home contacts.

The current structure and rates of SGA are:

<u>Cumulative Sea Service</u>	<u>Annual Rate</u>
Completed less than 4 years	\$7,071
Completed 4 but less than 8 years	\$8,602
Completed 8 or more years	\$9,782

1995 Review

On 17 August 1995 the ADF sought a review of Seagoing Allowance and Hard Lying Allowance. The ADF sought significant changes in the structure and rates of the allowances.

The ADF sought, and the Commonwealth supported, the introduction of tiering of the allowance to acknowledge the cumulative effects of disability suffered as a result of sea service. The ADF also sought the same rate of SGA for crews of all seagoing vessels in recognition of the long hours and uncomfortable conditions experienced on minor war vessels as well as the larger ships. Additionally, the ADF sought payment of the full rate of SGA for members posted to vessels in refit.

The Tribunal approved the structure and rates proposed by the parties. In so deciding, the Tribunal stated “we have given effect to the agreement reached between the Minister for Industrial Relations and the Chief of the Defence Force in this matter. We have taken this decision even though the material and evidence presented by the ADF regarding work value change and the changed conditions of sea service have not been the subject of full examination by the Tribunal”.

The Tribunal also indicated it had concerns about “the implications of the agreed changes to the allowances for other ADF allowances”.

In its decision the Tribunal expressed a concern about the margin between SSA and SGA which was needed to attract and retain members of the Submarine Arm.

Hard Lying Allowance

Hard Lying Allowance (HLA) is paid to ADF members who are not posted to a seagoing ship, but are required to live on board an ADF vessel for at least 48 hours. It is paid to compensate members for the discomfort experienced. The current structure and rates of HLA for surface vessels are:

<u>Cumulative Sea Service</u>	<u>Daily Rate</u>
Completed less than 4 years	\$19.37
Completed 4 but less than 8 years	\$23.57
Completed 8 or more years	\$26.80

The current structure and rates of HLA for submarines are:

<u>Cumulative Sea Service</u>	<u>Daily Rate</u>
Completed less than 4 years	\$36.26
Completed 4 but less than 8 years	\$38.46
Completed 8 or more years	\$40.66

INSPECTIONS

Submarine Service Allowance

On 17 April 2001 the Tribunal inspected the work of the Trials Crew at the Australian Submarine Corporation in Adelaide. The background information provided by the Trials Crew was presented in two stages. In the first stage members of the Trials crew made formal presentations. In the second stage the Tribunal visited HMAS FARNCOMB to familiarise itself with the Collins Class submarine and then HMAS RANKIN to observe the effects of the reduction in the living space as a result of modifications.

On 19 April 2001 the Tribunal inspected HMAS WALLER in Sydney. The Tribunal was briefed by members of the crew on the working and living conditions on board a Collins Class submarine and participated in a sea ride so as to observe the disabilities inherent in submarine service.

Seagoing Allowance

During the period 6 – 8 July 2001 the Tribunal inspected the work of sailors on a number of ships in the Eastern Exercise Area.

The Tribunal participated in a sea ride on HMAS MELBOURNE (FFG) on 6 June 2001; HMAS WARRAMUNGA (ANZAC) on 7 June 2001; HMAS MANOORA (LPA) overnight on 7 June 2001 and HMAS BENDIGO (Patrol Boat) on 8 June 2001. The Tribunal also visited HMAS TOBRUK (LSH) which was in refit at Garden Island, Sydney on 8 June 2001.

During the inspections at sea and at Garden Island the Tribunal viewed the living and working conditions on a number of ships and was able to observe the effects of minimum-manning on the workload of sailors and the multi-skilling requirements.

THE PRESENT CASE

SUBMISSIONS

Submarine Service Allowance

Australian Defence Force

The ADF submitted that the current predicament in the Submarine Arm is different from that of 1999. The last Oberon Class submarine has paid off, and the last Collins Class submarine is close to completion. The majority of the Arm is established at HMAS STIRLING, training systems are mature and the initial technical problems have been fixed or are being addressed. The submarines are undertaking operational tasks and the morale of submariners has improved.

The ADF further submitted however, that earlier assessments by Navy underestimated the impact of the transition to the Collins Class on personnel. The workload of the 45 member crew is significantly higher than anticipated, with concomitant increases in fatigue and stress. It was submitted that the work involved in engineering maintenance schedules and equipment failure rates are higher than anticipated. Living conditions offer little, if any, benefit over the Oberon platform, and the tempo of operational tasks multiplies the effect of physical and psychological disabilities on personnel subjected to them.

Further, the impact on crews is intensified by the critical shortfall in personnel. The Submarine Arm is 33% short overall with a 38% shortfall in trained Collins Class submariners. These shortages add to the increased disabilities generally experienced by submariners, causing an increase in fatigue and stress due to the requirement to work longer hours, shorter periods ashore, unpredictability in postings and increased posting turbulence.

The ADF has proposed a new structure for SSA which includes a “consistent nexus between SSA and SGA”. The proposed structures and rates for both allowances are at Attachment 1.

Under the proposed structure the current Shore Rate will be retitled the Qualification and Skill Rate and be set at \$7,000 per annum.

The ADF has proposed a move from a three to a four tier structure based on accumulated sea time with Tier 1 being 0 to 3 years; Tier 2 from 3 to 6 years; Tier 3 from 6 to 11 years and a new Tier 4 at the twelfth year. It was submitted that the proposed structure recognises the effect of cumulative disability, clearly identifies and targets those career points where departures from service more frequently occur and “creates a powerful attraction and retention tool for long term sea going careers”.

The ADF has also proposed a variable rate for trainees who are transferring from the surface fleet which is dependant on the SGA tier that the member had attained. It was said that “whilst the trainee rate is for a relatively short period of time, any reduction is nevertheless inconsistent with the principle that disability aboard a submarine is greater than that aboard a surface ship, and any such reduction would be a disincentive to the attraction of more experienced and higher qualified people to the Submarine Arm”.

The ADF submitted that the introduction of the Collins Class submarine has resulted in a quantum leap in technology which in turn has resulted in the requirement for submariners to have a greater level of skill, knowledge and responsibility than their Oberon counterparts. This includes:

- the performance of additional tasks;
- acceptance of more responsibility due to reduced manning, vessel design and the quantity and capability of equipment;
- the increased level and intensity of training; and
- a requirement for higher levels of cognitive and perceptual skills due to the complexity of the Integrated Ship Control Management Monitoring System.

It was said that the Collins Class submariner has progressed from being a user of a manually controlled, single level technology to becoming an integral part of a highly complex mechanism comprising numerous integrated technologies and featuring multiple levels of system redundancy.

The ADF submitted that the disabilities inherent in service on a Collins Class submarine have increased significantly in comparison to the Oberon Class. The major factors relied on include:

- submariners are working longer hours;
- the time spent submerged during transit has increased from 58% to 95% due to the design of the Collins Class resulting in higher levels of operational intensity;
- the requirement for a two watch system which has resulted in a 17% increase in the time worked by crew;
- longer periods of severance from home contacts due to the increased capability and endurance of the Collins Class; and

- a reduction in useable recreation space due to the reduced size of the platform.

The ADF called three witnesses.

Captain P J Sinclair, Captain Submarines, gave evidence about:

- the changes and development since the transition to Collins Class submarines;
- the level of operational maturity of the Submarine Arm;
- the management initiatives implemented to address problems at the time of the 1999 interim review; and
- the internal and external factors that impact on the operational capability of the Arm.

Captain Sinclair attested that the combined effect of the review of SSA in 1995, the interim case in 1999, the submarine completion incentive and the key management initiatives set in place over the intervening years have served to reduce wastage. He said that despite this the greatest threat to ongoing capability remains the parlous manpower situation. To reach full operational capability the requirement is 794 personnel trained or in training, whereas by July 2001 Navy expect to have only 529 people trained or in training, a shortfall of 33.4%.

Commander J M H Taubman, Principal Staff Officer Capability Development, gave evidence on the increased levels of training required for Collins Class submarines.

Lieutenant Commander M L Potter, Executive Officer HMAS WALLER, gave evidence on the roles and responsibilities of the Executive Officer; changes in working on submarines; the differences between Collins and Oberon; and retention issues.

Witness statements were also provided by Lieutenant Commander L King, Chief Petty Officer S A Richards, Petty Officer P McGroder, Petty Officer A M Pepper, Petty Officer R Bidgood, Petty Officer K A Bromfield, Leading Seaman D J Goodman, Able Seaman K D Holloway and Leading Seaman L Mark.

Seagoing Allowance

Australian Defence Force

The ADF has sought the introduction of a new structure and new rates for Seagoing Allowance and the establishment of a nexus with Submarine Service Allowance.

It was submitted that there has been a significant increase in minimum-manned ships and that this has had an adverse impact on the disabilities and an increase in the responsibilities of those going to sea. There have also been changes to the organisation and structure of Navy resulting from the Defence Reform Program and the introduction in 2000 of Navy Force Element Groups.

The ADF submitted that the impact of these developments has been heightened by recruiting shortfalls as a result of the buoyant economy and the fact that military service is no longer a career of choice. These factors have “reduced Navy’s recruiting achievement to amongst the lowest levels ever”. In addition “consistent and unsustainable wastage rates have whittled away the number of trained and experienced people in the Service and resulted in higher posting turbulence, less predictability and stability, and increased work and stress”. It was further stated that over 30% of shore billets are empty of trained members, there is a shortfall of 644 fully trained personnel at sea and that at some ranks and in some categories the shortage is as high as 40% - 50%. There is also a 34% shortage of advanced training personnel. Commander H A Finnis the Deputy Director Workforce Planning (Navy) gave evidence regarding the failure to meet recruiting targets since 1998 and the consequent “bubble” with a future impact on categories that do not have enough members feeding into them. The ADF submitted that “the human element has now become the most significant limiting factor in the delivery of capability” and “that the current situation is placing increasing and unprecedented strain on the system”.

The ADF indicated that 36 per cent of vessels, including a number of critical vessels, are now minimum-manned compared with 12 per cent in 1995 when SGA was last reviewed. This has occurred as a result of the introduction of the ANZAC class frigates, the two amphibious landing platforms HMAS KANIMBLA and HMAS MANOORA, the Huon Class Mine Hunter Coastal and the Leeuwin Class Hydrographic survey vessel and the decommissioning of the Guided Missile destroyers. Three ANZAC class vessels have already been delivered with another five to follow by 2006.

It was submitted that minimum-manned ships have not only resulted in an increased workload for sailors but have led to off-duty personnel being required to supplement additional tasks or replace absent personnel. Minimum-manned vessels lack the flexibility to cope with billet vacancies caused by the lack of trained personnel or loss of members to attend training courses.

The ADF stated that minimum-manning has resulted in:

Increased Responsibility

Inexperienced personnel are required to take on additional responsibility earlier in their careers, sometimes without the requisite training and experience.

Lower Job Satisfaction

Commercialisation of maintenance and logistic support has led to frustration amongst technical sailors because they are less involved with some maintenance tasks.

Increased Workload

There is little ability to have quiet periods and there is no respite, even when alongside, which leads to frustration and increased level of stress and fatigue. There has also been an increase in the time spent in the two-watch system which means personnel are working 50% of the time on watch compared with the traditional 33%.

As well as these disabilities it was submitted that there has been an increase in multi-skilling with additional training requirements both ashore and at sea, a wider range of job specific duties and increased ancillary functions.

The ADF stated that there have been increases in the levels of tempo and intensity because of increased commitment to operations and exercises. Tempo and intensity were explained as follows:

Tempo

The Tempo is a measure of the amount of work or activity required of vessels. In the context of SSA/SGA it can be measured by such factors as:

- The ratio of time spent at sea versus time alongside;
- Time in home port versus time in other than home port;
- The working hours required in any day, or over a period of time; and
- The 'discomfort' factor (although this has strong psychological links as well).

Intensity

The intensity of the work is an expression of how much work or activity is compressed into a given time. It draws a distinction between 'a long period of activity' and 'a long and exhausting period of activity'. This distinction is necessary as the combination of the two describes more accurately the total pressures exerted on an individual. Any variance in one can completely alter a members perception or acceptance of sea postings, quite independently of any change in the other. Intensity is quantified by the ratio of the activity to be achieved to the time available. Time constraints or targets (realistic or otherwise) are therefore primary drivers. Examples of factors that influence intensity are as follows:

- strategic or Government imperatives and notice given;

- exercise commitments and operational imperatives;
- speed, time and distance;
- progression of internal training to meet targets;
- optimising training opportunities with other ships or units; and
- defect rectification and maintenance.

It was submitted that the increase in technology had not removed the necessity to carry out a wide range of non-automated tasks by fewer members.

The ADF also submitted that there have been societal changes which widen the gap between civilian and Navy Life.

Rear Admiral B L Adams, the Deputy Chief of Navy, gave evidence regarding the impact of operations on the level of disability suffered by personnel. He submitted that 'due to factors such as minimum-manning, work force shortages and the nature of work conducted by the RAN the intensity of periods at sea has experienced a dramatic increase'. He advised that the commitment to sea days for Joint and Combined exercises to further bi-lateral and multi-lateral agreements and to maintain individual ship, task group and Fleet readiness, as required by the Chief of the Defence Force Preparedness Directive, has increased from 100 days a year in the early 1990s to 500 days in 1995/96. The commitment in 1999/2000 was 390 days.

With regard to the proposed Seagoing Allowance structure and the relationship with Submarine Service Allowance the Defence Force Advocate submitted that as well as reflecting work value, qualification and skill, disability (including cumulative disability), structural integrity and considerations of attraction and retention there is a need to accommodate a nexus which is going to operate into the future. The tiers in the structure have been changed to reflect critical personnel departure points, particularly at 5 years and 10 years.

As part of the proposed structure the ADF seeks the introduction of a Daily Bonus payment for service beyond 150 days at sea.

The 'personnel tempo' as determined by the Maritime Commander for both submarines and surface fleet is 150 days at sea, the personnel tempo being the maximum number of days at sea by ships to ensure quality of life of personnel. However, members are increasingly being transferred between vessels to meet minimum-manning requirements and are, it was submitted, "under-compensated" for service at sea beyond 150 days. The ADF has proposed flat daily bonus rates of \$50 for ships and \$75 for submarines when members exceed 150 days at sea in a year. These rates are derived from the base Tier annual payments. The bonus is to be paid as an annual lump sum.

The ADF has also sought the extension of Seagoing Allowance to members of the Sea Training Group (STG) and the Commodore Flotillas (COMFLOT). STG consists of Officers, Warrant Officers and Senior Sailors with specialist backgrounds who sea ride in all Fleet units to assist those units in reaching and maintaining operational standards. The issue of the extension to Sea Training Group was raised with the Tribunal in 1996 but did not proceed. It was submitted in the current proceedings that there have been changes in the administration, management and duties of the STG such that previous concerns had been overcome and that Seagoing Allowance should now be extended to a core group of 47 members of STG. These members spend as much time at sea as personnel on major fleet units and are exposed to the same disabilities as well as being accommodated in cramped, noisy and uncomfortable areas of vessels such as aircraft hangars on board.

The ADF submitted that declining experience levels throughout the RAN have necessitated an increase in sea training and that STG fulfils a vital role in ensuring the maintenance of standards. Non-core members of STG would not be entitled to the annual rate of SGA. It was submitted that COMFLOT has a liability for a large number of intense sea periods directly associated with the STG role and should also have an entitlement to SGA.

The ADF also sought the counting of all days at sea towards cumulative sea service. The ADF submitted that this would remove an anomaly because at present only the Sea Training Group and Fleet Supply Team are able to count their days in receipt of HLA.

The ADF submitted that HLA should be subsumed into SGA and SSA and that it should be expressed as a daily rate of those allowances. The ADF acknowledged that the Tribunal had previously rejected a similar proposal and had expressed concern that not all members entitled to HLA would take part in the same duties, watches or ships tasks as members posted to a sea going vessel. It was submitted by the ADF that the position had now changed with the disabilities suffered by members receiving HLA now being 'largely comparable' with those experienced by members posted to seagoing vessels.

Witnesses called by the ADF were: Rear Admiral B L Adams, Deputy Chief of Navy; Commander R T Menhinick, CO HMAS WARRAMUNGA; Commander R G Morrison, CO HMAS MANOORA; Lieutenant Commander P D Arnold, Maritime Headquarters; Leading Seaman G C Drady; Commander P J Murray, Head of Sea Training Group; Warrant Officer D R Jeffs, Sea Training Group; Captain P J Sinclair, Captain Submarines; Commander H A Finnis, Workforce Planning Navy; Dr S K Mugford, Managing Director QQSR; and Dr N A Jans. Statements were also provided from members of the crews of vessels inspected by the Tribunal.

Commonwealth

The Commonwealth submitted that 'for the record the Commonwealth does not necessarily agree with every statement made or with all conclusions from the data that has been presented by the ADF. However, we are in general agreement with the outcomes proposed by the ADF and we believe that there is sufficient evidence to warrant the approval of the proposals'.

Returned and Services League of Australia

The Returned and Services League of Australia (R&SL) submitted that 'the evidence is overwhelming that Naval personnel going to sea in submarines or in the surface fleet, are insufficiently compensated for their current arduous working and living conditions particularly since the introduction of the Collins Class submarines and the concept of minimum-manning for most of the fleet'.

The R&SL further submitted that ‘the lack of proper compensation for its personnel has led to an extremely perilous manning situation. It was said that the rates proposed by Navy for SSA and SGA are too modest and there should be a twenty five percent increase to the rates proposed by the ADF’.

Armed Forces Federation of Australia

The Armed Forces Federation of Australia (ArFFA) supported the structure and rates proposed by the ADF with a few exceptions. ArFFA submitted that the increase between tiers 3 and 4 in both SSA and SGA are too low to provide a sufficient incentive to the more senior personnel to return to sea service. ArFFA also proposed that the time required to move from Tier 3 to Tier 4 should be decreased from 5 years to 3 years consistent with that for the other tiers.

In regard to the proposed bonus rates for SGA and SSA beyond 150 days at sea ArFFA submitted that \$91 per day for SGA and \$161 per day for SSA would be more equitable as these are averages of all the tiering rates.

CONSIDERATION

The ADF has sought approval by the Tribunal of new structures and rates for SGA and SSA. In so doing the ADF has sought to establish a relationship between the two allowances consistent with the views expressed by the Tribunal in past reviews of the allowances.

During the course of proceedings considerable evidence was led on the critical situation in regard to personnel. It was said that although the Navy personnel requirement is reducing, the continuing separation rates are driving the workforce below desirable and perhaps sustainable levels.

The Tribunal notes that the shortages in personnel due to people leaving the Navy and recruiting targets not being met have resulted in high workloads both at sea and ashore due to the requirement to keep sea billets filled. Sailors are therefore spending more time at sea with reduced opportunity for time in shore billets, thereby reducing the opportunity to spend time with their families.

As a general observation and as indicated earlier in this Decision many of the grounds advanced in the current case in support of the increases claimed for SSA and SGA are not new.

In particular, in respect of SGA those grounds included:

- the increased working hours brought about by the minimum-manning concept;
- a greater incidence of defence watches and therefore longer periods on watch;
- increase in the tempo of the work at sea;
- increase in the number of minimum-manned ships;
- increase in the number of days spent at sea each year;
- manpower shortages;
- changes in community expectations;
- an increase in the level of responsibilities for crew members at sea;

and were relied upon by the Tribunal in granting increases in Matters Number 1 and 2 of 1998 and 11 of 1995.

In a similar vein, in respect of SSA the grounds included:

- the introduction of the Collins Class submarines;
- the requirement to work long hours in onerous conditions;
- acute personnel shortages resulting in excess sea time, long working hours and other demands placed upon submariners;
- problems being experienced with attraction and retention;

and were factors relied upon by the Tribunal in granting increases to SSA in Matters Number 1 of 1995 and 3 of 1999.

Turning then to the specific claims we are obliged to consider.

Submarine Service Allowance

The ADF has proposed that the existing Shore rate for the allowance be retitled Qualification and Skill (Q&S) rate. This is consistent with the structure of other ADF allowances such as Special Action Forces Allowance and Clearance Diving Allowance. The ADF has sought to increase the Q&S rate from \$5,253 to \$7,000 per annum.

The ADF has also sought the inclusion of a further tier in the disability rate, changes to the experience levels applying to each tier and increases at each tier.

The Tribunal considers that there is sufficient evidence to justify the revised structure and increases approved in the review of SSA in 1999 and the structure and rates proposed in the present case, notwithstanding our earlier reference to previous decisions. We are satisfied that the significant changes in the nature of the work and additional skills and responsibilities required of submariners with the introduction of the Collins Class submarine supports, in part, the increase proposed on the basis of work value. We have decided to approve the structure and increases sought on the evidence which included:

- the quantum leap in technology of the Collins Class submarine which has required a corresponding increase in the skill and training of crew to operate and maintain the new equipment;
- the increased workload due to minimum-manning and the reduction of crew members from 68 (and a maximum of 82) on the Oberon to 45 (with a maximum of 55) on Collins;
- the move from a three watch system to two watches which has also increased the workload of all members onboard and resulted in a decrease in leisure time;

- the substantial increase in time spent submerged whilst in transit due to the design of the Collins Class which has increased the operational tempo and has resulted in longer periods of severance from home contact; and
- the reduction of useable recreation space.

We note also the submissions on the increase in societal expectations.

During the inspections we were briefed on many occasions that the majority of the crew on Collins Class submarines were averaging only four hours of sleep per day due to factors such as minimum-manning; the two watch system; personnel shortages and longer periods spent submerged. The Tribunal has concerns in regard to the effectiveness of the crew working under these conditions for prolonged periods and the possible deleterious effect on occupational health and safety. We note that Navy is aware of these concerns and is endeavouring to address these issues by the introduction of a range of management initiatives.

The ADF sought revised trainee rates for members of the surface fleet who have volunteered for service on submarines. We note that such members would be paid the trainee rate for a relatively short period of time. We do not consider that the rates proposed above the base level have been justified. We are of the view that the members should maintain SGA at their relevant tier, where it is higher, during their time in training onboard a submarine whilst at sea and decide accordingly. We consider that the attraction is the entitlement to the qualification and skill and disability rates of SSA when a member becomes a qualified submariner.

Seagoing Allowance

The ADF has sought a new structure for SGA which includes increases in the rates and a change from a three tier structure to a four tier structure. The rates and structure are related directly to the rates and structure of SSA.

The percentages between the tiers of Seagoing Allowance are to be 55%, 35% and 15% respectively, with these percentages chosen 'to compensate for increasing disability, and to provide substantial incentive for return to sea (and remain in the Service)'. It was submitted that a majority

of members consulted supported the structure and we also note that those members who gave evidence on the issue were supportive of it.

There is a small increase to existing rates at Tier 1 with more significant increases at the higher Tiers. The ADF submitted that these increases are justified based on the following work value developments since 1995:

- ‘ - a higher degree of minimum-manning;
- an overall increase in the number of minimum-manned platforms resulting in a greater propensity for and regularity of posting to minimum-manned vessels;
- an increase in the intensity of operations;
- workforce shortages resulting in significant increases in workload for remaining crews, particularly those posted to minimum-manned vessels; and
- an increase in societal expectations leading to a relative increase in the disabilities experienced at sea’.

As indicated earlier, reliance was placed on critical manning aspects which result in the need for particular attention to be paid to attraction and retention factors. There is a personnel shortfall for Navy of 17%, and there are 644 vacant sea billets. The shortfall of experienced personnel conducting advanced training is 34%.

The increase in minimum-manned ships from 12% in 1995 to 36% at present has created significant increases in work value and disability. Commander R Menhinick, the Commanding Officer of HMAS WARRAMUNGA, which is one of the new ANZAC class frigates, gave evidence that watchkeeping now takes up to 12 hours a day at sea. There are also less members to carry out day to day seamanship evolutions and cleaning and off watch time for watchkeepers and day workers is often interrupted by routines such as gun firing and damage control exercises. The new minimum-manned ships have high level technology and the majority of personnel have little or no experience with the vessels. Members of all ranks are learning about the ships for the first time and this places a significant extra burden on the few people who have some experience and have to take on added training roles as well as their own job. Evidence was provided that there has been an increase in the amount of time spent in a two-watch system as a result of minimum-manning and personnel shortages and an increase in the intensity of operations.

On the basis of the material before us and the submissions of the parties we have decided to approve the new structure and rates for SGA, again notwithstanding our earlier reference to previous decisions. The new structure and rates provide appropriate compensation for the work value and disability of personnel at sea and should provide some incentive for members to commit to sea service.

Daily Bonus Payment

As part of its proposed new structure the ADF has sought the introduction of daily bonuses for SGA and SSA. On the basis of the evidence before us we do not consider that the introduction of these bonus payments has been justified.

We consider that an annual rate should be just that. In any event it would seem likely that throughout a career a member would experience postings which would involve less sea time in some years and more in others; it could be said that a 'swings and roundabouts' situation applies. Moreover, to accept the payment of a bonus for 'excess days' begs the question why a lower annual payment for shorter periods at sea is not appropriate. It should also be noted that Service Allowance provides compensation for disabilities of Service life including the liability for long and irregular hours. Additionally, such daily bonuses could be perceived as payments in the nature of overtime and would therefore be inappropriate in the context of the ADF.

Another consideration is that management should be accountable for the time individuals are expected to serve at sea and should not rely on supplementary payments to solve management issues. A further concern is that personnel may be encouraged to seek longer periods at sea to gain extra remuneration.

Sea Training Group and Commodore Flotillas

The extension of Seagoing Allowance to STG and COMFLOT is a further aspect of the ADF claim. It was submitted that the roles and functions of STG have changed considerably since January 1999 and that STG has identified a core group of 47 of the 78 STG billets with a proven liability for 100 days or more at sea. This core group concentrates solely on sea training and assessment.

We acknowledge the need to attract the best people to STG to ensure the maintenance of fleet standards. The declining level of experience of personnel on vessels has placed additional demands on the STG requiring more time at sea. The living conditions on board for members of the STG is usually low standard makeshift accommodation.

We have decided on the basis of the evidence and submissions before us to extend Seagoing Allowance to these members. In doing so we require that sea days for non-core members be closely monitored to ensure that no inequity arises.

The COMFLOT is part of the core group of the STG and has a liability for a large number of intense sea periods. He is also responsible for the conduct of maritime operations and deploys for major operations and exercises. We have decided that SGA should also be extended to COMFLOT.

Hard Lying Allowance

With respect to HLA, we are not persuaded that the proposal to subsume it into SGA is justified and note that the Tribunal rejected a similar proposal in 1998. It was submitted in support of the current proposal in this matter that the disabilities experienced by those members entitled to HLA were now comparable to those experienced by members posted to seagoing vessels. We are not satisfied, on the evidence presented, that members entitled to HLA suffer the same disabilities as members posted to a vessel. They are not required to perform the duties or undertake the watches or tasks of posted members. Furthermore, we note that the ADF submitted that embarked troops do not carry out all duties of the ship's crew. Members are entitled to HLA for serving on a vessel for a minimum of only 48 hours; accordingly, in those circumstances, they do not suffer the long term effects of any disabilities and do not endure any comparable loss of home contacts as experienced by members posted to a vessel.

We have therefore decided that HLA should be preserved. We have considered the rates and structure that should apply and have concluded that the existing 1/365th relationship should be retained and to maintain consistency the four tiered structure will apply to HLA.

The ADF has also sought to remove an anomaly where members are not able to count periods in receipt of HLA towards cumulative sea service and therefore towards the tiering of SGA and HLA. We have decided that periods of HLA should count towards tiering.

Interveners

The Tribunal notes the submissions of the R&SL and ArFFA which propose rates higher than those proposed by the ADF. We consider, however, that the rates that we have approved are appropriate based on the evidence before us.

The submissions provided by Mr Dainer and Mr Howatt assisted the Tribunal in its deliberations on this matter.

Other Matters

The Tribunal has approved substantial increases to SGA and SSA and is mindful of the relationship of these allowances to other ADF allowances. In this regard we have previously stressed the need to review, in particular, Special Action Forces Allowance (SAFA) and Clearance Diving Allowance (CDA). The Tribunal directs that the ADF review SAFA and CDA without delay. We would expect that the Tribunal's review be completed by the end of 2001.

The Tribunal would like to acknowledge the professional manner in which this case was prepared and presented. The inspections and presentations by ADF members were excellent and provided much assistance in our deliberations. The Tribunal records its appreciation to all of those personnel involved.

Date of Effect and Determinations

The changes to SGA, SSA and HLA that we have approved shall take effect on and from the first pay day following this decision.

The parties should prepare draft determinations reflecting the decisions of the Tribunal in regard to SSA, SGA and HLA and lodge them with the Secretariat within seven days.

APPEARANCES: R Kenzie QC, Defence Force Advocate, with Lieutenant Commander
A Bradshaw, for the Australian Defence Force

A O'Brien with L Cullen for the Commonwealth

G Howatt for the Armed Forces Federation of Australia

J Dainer for the Returned and Service League of Australia

DATES AND PLACE OF HEARING:

29 – 30 May 2001 Canberra

17 – 19 July 2001 Canberra

INSPECTIONS:

17 April 2001 Australian Submarine Corporation (Adelaide), HMAS FARNCOMB and
HMAS RANKIN

19 April 2001 HMAS WALLER

6 June 2001 HMAS MELBOURNE

7 June 2001 HMAS WARRAMUNGA/HMAS MANOORA

8 June 2001 HMAS BENDIGO/HMAS TOBRUK

ATTACHMENT 1

