



Australian Government
Defence Force Remuneration Tribunal

STATEMENT

Defence Act 1903

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

REMOVAL OF DISCOUNTED RATES OF SALARY

(Matter No. 13 of 2014)

THE HON. A. HARRISON, PRESIDENT

THE HON. A. BEVIS, MEMBER

CANBERRA, 19 DECEMBER 2014

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

[1] This statement concerns an application by the Australian Defence Force (ADF)ⁱ to amend DFRT Determination 15 of 2008, *Salaries* by the removal of Clause B.2.6ⁱⁱ, and the repeal of Part 3 of Schedule B.3ⁱⁱⁱ of the determination with a date of effect of 9 April 2015.

[2] This matter was considered in a hearing on 2 December 2014. Mr R. Kenzie AM QC appeared for the ADF and Mr J. O'Reilly for the Commonwealth.

[3] The ADF seeks to finalise a process to transition all Army Reserve officers who are currently being remunerated under the provisions of discounted daily salary rates, to that of the non-discounted daily salary rates. The Commonwealth supports the ADF submission noting "*recent changes which focus on the deployability of Army Reserve members to deliver defined levels of capability*"^{iv}

[4] ADF Reserve Officer pay placements were last considered by the DFRT in Matter 3 of 2006 as part of the *Reserve Remuneration Review* and, at the time, the daily pay rates were based on ab initio part time reservists without prior military experience.

[5] We considered the evidence before us that the Army is now aligning its Regular and Reserve structures^v and that Plan BEERSHEBA^{vi} will result in significant changes to the roles of Reserve personnel and the force structure.

[6] We considered evidence provided both in this submission^{vii}, and in previous briefings^{viii}, that Plan SUAKIN^{ix} will result in changes to the employment patterns of Reserve units and provide greater interoperability of Reserves with the Permanent Force.

[7] We accept that the Army remains the only Service in the ADF using the discounted rates of salary and that no officer will be disadvantaged by the changes.

[8] We note that all officers currently remunerated under the provisions of the discounted rates of salary will be transferred to the corresponding non-discounted daily salary rate and that any subsequent advancement in pay will be in accordance with the Graded Officer Pay Scheme.

[9] A determination will shortly be issued giving effect to our decision.

ⁱ ADF 1 – Submission- Discounted Rates of Salary dated December 2014.

ⁱⁱ ‘Discounted rates of salary for certain Reserve Force officers’.

ⁱⁱⁱ Schedule B.3 provides salary rates for Permanent and Reserve officers.

^{iv} Commonwealth 1 - Submission – Removal of discounted rates of salary dated 21 November page 2 paragraph 9.

^v ADF 1 pages 8 and 9.

^{vi} Plan BEERSHEBA is a phased program to adjust Army force structure.

^{vii} ADF 1 page 10 paragraph 24.

^{viii} Service Workforce Briefings – 4 February 2014 - conducted by Director General Personnel Army.

^{ix} Plan SUAKIN is developing options for Army to provide an organisational culture more accepting of flexibility in career pathways with remuneration and benefits matched to delivery of capability.