



**Australian Government**  
**Defence Force Remuneration Tribunal**

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## DECISION

*Defence Act 1903*  
s.58H—Functions and powers of Tribunal

### **TRAINEE SALARY AND ALLOWANCE REVIEW** (Matter 2 of 2017)

MS I. ASBURY, PRESIDENT

MR A. MORRIS, MEMBER

CANBERRA, 13 APRIL 2017

RADM J. GOLDRICK AO CSC RAN RTD, MEMBER

[1] This decision concerns an application<sup>1</sup> made by the Australian Defence Force (ADF) under s.58H of the *Defence Act 1903* to make amendments to trainee salary and allowance provisions.

[2] There was no hearing in this matter and we dealt with the application on the papers.

#### **Background**

[3] Trainee Allowance is paid to members of the ADF to compensate for the demands of service life while undergoing initial employment training. Trainee allowance is linked to Service Allowance (as a comparator) and calculated at 75% of Service Allowance; the differential accounting for the reduced expectations and demands of trainee members in comparison to qualified members of the ADF.

[4] The ADF states in the submission in relation to this matter that it ‘may’ return to us with further refinement to Trainee Allowance. We note that the Tribunal made associated recent determinations in regard to trainees in Matter 9 of 2015 – *Review of Schedule B.13 - Trainee pay rates*.<sup>2</sup>

## Submissions

[5] In its written submission the ADF seeks further refinement of remuneration for trainees to deliver *“the appropriate management of trainees by providing suitable, and equitable, structures and rates”*.<sup>3</sup>

[6] Specifically the ADF propose to:

- a. extend the four tier structure of the Undergraduate Entry Scheme (UES) to six tiers using the five and six year quanta of the Officer Tertiary Recruitment Scheme(ORTS);
- b. allow for payment of Trainee Allowance to Reserve members undertaking initial employment training while on Continuous Full Time Service (CFTS); and
- c. align payment for members undertaking a three year (or less) degree through undergraduate entry with the pay rates of members undertaking a three year degree through entry at the Australian Defence Force Academy (ADFA).<sup>4</sup>

[7] Concurrent with these amendments, the ADF seeks a ‘definition of a member with a degree’ as *“one which holds an Australian Qualification Framework Level 7 qualification and that if the member does not hold a Level 7 qualification, but holds a Level 8 or higher, the Chief of Defence Force may recognise the qualification as having met the degree requirement”*.<sup>5</sup>

[8] The ADF seeks a commencement date of 20 April 2017.

[9] The Commonwealth supported the ADF proposal<sup>6</sup> coupled with the insertion of the proposed definition of a degree.<sup>7</sup>

## Consideration

[10] We note the UES as a method of entry into the ADF and that, for entry to the scheme, students must have completed at least one year of independent tertiary study. In comparison, the ORTS provides for members undertaking Army General Service Officer training while completing civilian tertiary education to enter the Royal Military College, Duntroon.

[11] We accept that under the UES the ADF is presently unable to appropriately remunerate members with more than four years study until graduation and that, as a result, seeks the addition of two years (years five and six to graduation). We note this is based on *“an emerging trend of Australian universities to offer double or vertical degrees”* which extend beyond the current four year remuneration framework.

[12] We considered that Reserve trainee members serving on CFTS are presently ineligible for Trainee or Service Allowance. We accept this has occurred because Trainee Allowance is *“only payable to permanent members of the ADF and that Service Allowance is only payable to qualified members”*. We accept these members are not entitled to Reserve Allowance because it is *“not payable to members on CFTS contracts”*.<sup>8</sup>

[13] We considered the submission that a UES member undertaking entry through an undergraduate three year degree receives a higher rate of pay than a member who undertakes the same three year course of study at ADFA. We accept this has occurred because rates have been calculated on descending years to graduation, commencing at a four year to graduation point. We accept that the quanta align for courses of study of four years or greater and require no amendment at that point.

[14] We accept the proposed definition of a degree based on descriptors within the Australian Qualifications Framework.

### **Conclusion**

[15] We agree to the insertion of an additional two tiers in the UES to provide for members undertaking degrees of greater than four years.

[16] We agree that provision should be made to appropriately remunerate those Reserve members on CFTS who are undertaking initial employment training and we approve the application of Trainee Allowance for these members.

[17] We agree to the alignment of a course of UES study for three years or less with comparable studies at ADFA. We accept that the three year construct will decrease the existing salaries of current three year degree UES entrants and determine that provision will be made to preserve the salaries of those members affected.

[18] We agree that a prescribed definition of ‘degree’ will provide discretion for the Chief of Defence Force to assess qualifications for eligibility purposes and approve the language as sought, subject to a minor grammatical amendment so that the definition is as follows:

*“one who holds an Australian Qualification Framework Level 7 qualification and that if the member does not hold a Level 7 qualification, but holds a Level 8 or higher, the Chief of Defence Force may recognise the qualification as having met the degree requirement”.*

[19] Determination 6 of 2017 will give effect to these amendments from 20 April 2017.

MS I. ASBURY, PRESIDENT

MR A. MORRIS, MEMBER

RADM J. GOLDRICK AO CSC RAN RTD, MEMBER

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<sup>1</sup> Listing application – Trainee Salary and Trainee Allowance – Consequentials, Undergraduate Entry Scheme and definition of a degree DMR/OUT/2017/AB30/77919 dated 30 January 2017.

<sup>2</sup> DFRT Determination 8 of 2015 - Salaries – Trainee – Amendment with effect 30 July 2015.

<sup>3</sup> ADF submission – Trainee and Allowance Review dated 30 January 2017 page 15 paragraph 35.

<sup>4</sup> ADF submission – Trainee and Allowance Review dated 30 January 2017.

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<sup>5</sup> ADF letter Amendment to Principal Determination 5 of 2008 – insertion of definition for degree qualification DMR/OUT/2017/011 dated 22 February 2017.

<sup>6</sup> Commonwealth Submission – Trainee Salary and Allowance Review dated 28 February 2017.

<sup>7</sup> Commonwealth letter – Trainee Salary and Trainee Allowance – Amendments dated 28 February 2017.

<sup>8</sup> ADF Submission page 11 paragraph 27.