



## **Defence Force Remuneration Tribunal**

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### **DECISION**

*Defence Act 1903*

s.58H—Functions and powers of Tribunal

#### **ROYAL AUSTRALIAN NAVY: MARITIME PERSONNEL COMMUNITY**

(Matter 10 of 2019)

MS I. ASBURY, PRESIDENT

MR A. MORRIS, MEMBER

CANBERRA, 27 NOVEMBER 2019

RADM J. GOLDRICK AO CSC RAN RTD, MEMBER

[1] This decision arises from a listing application<sup>1</sup> made by the Australian Defence Force (ADF) under section 58H of the *Defence Act 1903* to create a Maritime Personnel Community to provide human resource (HR) management professionals at sea and ashore.

[2] A hearing was conducted in Canberra on 6 November 2019; Mr J Phillips SC appeared for the ADF and Mr J O'Reilly for the Commonwealth. Captain S Cunningham RAN, Director Navy Workforce Management, appeared as a witness for the ADF.

#### **BACKGROUND**

[3] Historically Navy has managed the tactical, operational and strategic aspects of its HR workforce through intrinsically linked, but separate, elements. At present the HR functions are *ad hoc* with no single employment category responsible for the personnel capability. The tactical and operational levels are predominantly provided by officers in the Maritime Logistics category and sailors in the Maritime Logistics Personnel Operations categories. The strategic HR functions are provided by officers in the Strategic Military Human Capability Management stream within the Maritime Executive employment category.

[4] The Tribunal last considered the Maritime Logistics Personnel Operations employment category in Matter 11 of 2017 – *Navy: Maritime Logistics Personnel*, in which the Navy Maritime Personnel Operations employment category was aligned within the employment categories of the Maritime Logistics family.<sup>2</sup>

## SUBMISSIONS

### ADF

[5] The ADF submits that, during 2018, Navy evaluated the delivery of personnel outcomes and HR matters through the conduct of a ‘Personnel Efficiency Review’. The Review found that “*the execution of personnel administration is ineffective and sub optimal, affecting the delivery of personnel capability and the retention of personnel*”.<sup>3</sup>

[6] The ADF states that to address these concerns “*the creation of a new Maritime Personnel Community will provide a seagoing and deployable workforce, which will comprise highly trained HR management practitioners, responsible for the personnel support functions in the tactical/operational environment at sea and ashore, and certified HR professionals responsible for the delivery of the strategic level functions*”.<sup>4</sup>

[7] Specifically the ADF seeks to:

- a. establish a new officer employment category titled Maritime Human Resource Officer (MHRO);
- b. rename the various Maritime Logistics Personnel Operations employment categories as Maritime Personnel Operator, Maritime Personnel Supervisor and Maritime Personnel Manager;<sup>5</sup>
- c. remove the Strategic Military Human Capability Management stream from the Management Executive employment category and subsume the functions into the MHRO employment category; and
- d. remove the personnel support functions at sea from the Maritime Logistics Officer (MLO) employment category without any change to their skill grade or pay grade placements.<sup>6</sup>

### COMMONWEALTH

[8] The Commonwealth supported the proposal and noted the “*intent to integrate the tactical, operational and strategic needs of personnel management through dedicated personnel focussed on HRM under the one umbrella of the new community*”.<sup>7</sup>

## WITNESS EVIDENCE

### Captain (CAPT) Cunningham

[9] CAPT Cunningham expanded on the proposal in her affidavit outlining that:

*“What the Navy Personnel Effects Review showed us is that using this [current approach] has led to inconsistent HR advice, both at sea and ashore, and that we need to fill the tactical and operational gaps that currently exist in our HR management (HRM) capability in house by bringing people in as an entry level recruit or officer and be trained in an HRM stream right from the beginning of their career in Navy.*

*Using this [new] approach, personnel will be able to apply their core HRM training and skill at a tactical and operational level using their learned experience to build their strategic expertise. This will ensure that personnel who reach the senior Lieutenant, Lieutenant Commander and higher ranks are able to provide sound HRM policy and guidance to their senior leadership team”.*<sup>8</sup>

[10] In the hearing CAPT Cunningham stated that *“the intent is for all our major units in the full maturity of this category, they will all have a Maritime HR officer embarked”* and that *“it’s about providing a consistent approach to human resources across Navy, as opposed to individual changes on a ship”.*<sup>9</sup>

## CONSIDERATION

[11] We gave consideration to the evidence of CAPT Cunningham that, in addition to embarked positions at sea, *“Navy wants to embed HR specialists within its Fleet groups, such as Surface Forces, Patrol Boat Group and Submarine Forces. These shore-based specialists will be the reach back, or the specialist resources for personnel on a ship or submarine who are able to provide subject matter expertise (whether it be advice, guidance or direction) on the wide spectrum of personnel matters”.* We also considered that *“Navy wants to embed MHRO with various directorates across the Defence organisation that deal with personnel matters, so that those policies are better informed of and do not overlook how they would operate in the Navy context and environment”.* We accept that this approach would enable personnel to build *“a body of expertise and knowledge which is of considerable value when they hold more senior ranks and are involved in broader level strategic decisions and policy development”.*<sup>10</sup>

[12] We considered the evidence that, in the short term, the roles of Maritime Logistics Personnel Operator sailors will remain unchanged however the *“functional oversight of their job and training will increase due to MHRO now supervising their roles”* and that this change will *“maximise the consistency and quality of support they are then, in turn, able to provide to Navy personnel”.*<sup>11</sup>

[13] We accept the evidence that the MHRO career continuum will be based on the Australian Human Resource Institute's *'Model of Excellence'* so as to ensure 'best practice' in Navy's Personnel Community and provide robust governance of the category.<sup>12</sup> We are encouraged that this is intended to ensure professional development and ensure best practice is followed.

[14] We considered the proposal that the differential value of MLOs will not change as a result of the removal of the personnel support function at sea. We accept that the *"complexity within the logistics domain at sea means that the category has been directed to focus more on operational logistics, material support and sustainment"*.<sup>13</sup> We accept the evidence that this increased volume of logistics support now equates to the same level of work and responsibility that MLOs were previously expected to deliver and that *"Navy believes their current skill grade and pay grade placements should not change as a [result of the] removal of the personnel support functions"*.<sup>14</sup>

[15] We considered the concerns of the Commonwealth that *"the MHRO career progression will be aligned to competency requirements for professional certification and time based experience. The Navy should monitor this arrangement to ensure it is not too rigid for managing career needs and vacancies within the community"*.<sup>15</sup> In deliberation we noted the evidence of CAPT Cunningham that there is an intention by Navy to monitor the arrangements and that *"while the training continuum does appear rigid, it has been developed to build that professional workforce and I think there is more than enough time in a member's career, as we start from ab initio, for them to meet the requirements"*.<sup>16</sup>

[16] We gave consideration to a perceived risk that Navy may be *"training people for civilian HR jobs in due course"* and accept the evidence of CAPT Cunningham that the *"skill set that we want them to show and undertake in the military is different to what corporate HR is about"* although *"that's not to say our skill sets are not transferable, particularly in the junior ranks, that tactical level is very different to what industry would be looking for"*. We note CAPT Cunningham's evidence *"that at the senior level there is that risk"*.<sup>17</sup>

## CONCLUSION

[17] We agree that the Maritime Personnel Community will include MHROs and Maritime Personnel sailors so that a single workforce is established and dedicated to strategic HR management and broader HR functions across Navy. We agree that the creation of this Maritime Personnel Community will provide a cohesive maritime personnel career continuum to span core tactical and operational functions delivered by Other Ranks through to the strategic workforce functions delivered by Officers.

[18] We accept that the Maritime Logistics Personnel operations employment category will be subsumed into the Maritime Personnel Operations workforce and be titled Maritime Personnel sailors.

[19] We agree that the personnel support functions and the supervisory functions previously performed by the MLO should be subsumed by the MHRO without any impact on the current skill and pay grades of the MLO.

[20] Determination 11 of 2019 will give effect to this decision with effect from 5 March 2020.

MS I. ASBURY, PRESIDENT  
MR A. MORRIS, MEMBER  
RADM J. GOLDRICK AO CSC RAN RTD, MEMBER

*Appearances:*

Mr J Phillips assisted by Mr P Blady *for the ADF*

Mr J O'Reilly assisted by Mr N Calleja *for the Commonwealth*

*Witness:*

Captain S L M Cunningham, *Director Navy Workforce Management.*

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<sup>1</sup> ADF letter DMR/OUT/2019/34 2019/BN 9657111 Listing Application – Navy – Maritime Human Resource Officer DATED 30 September 2019.

<sup>2</sup> <https://www.dfrt.gov.au/sites/default/files/Decision-Navy-MLP.pdf>

<sup>3</sup> ADF Submission Royal Australian Navy Maritime Personnel Community dated November 2019 (ADF 1) page 1 paragraph 1.3.

<sup>4</sup> ADF 1 page 3 paragraph 1.11.

<sup>5</sup> The proposed name change from Maritime Logistics Personnel Operations to Maritime Personnel will shift this workforce out of the Logistics family and into the a new Maritime Personnel Community.

<sup>6</sup> ADF1 page 2 paragraph 1.5.

<sup>7</sup> Commonwealth submission Royal Australian Navy Maritime Personnel Community dated 30 October 2019 (CWLTH 1) page 4 paragraph 24.

<sup>8</sup> Affidavit of Captain S L M Cunningham dated 25 October 2019 (ADF 2) page 4 paragraphs 16 and 17.

<sup>9</sup> Transcript of 6 November 2019 page 4 lines 27 – 30.

<sup>10</sup> ADF 2 page 5 paragraph 20.

<sup>11</sup> ADF 2 page 6 paragraph 26.

<sup>12</sup> ADF 1 page 18 paragraph 5.7.

<sup>13</sup> ADF 1 page 26 paragraph 5.47.

<sup>14</sup> ADF 1 page 44 paragraph 7.7.

<sup>15</sup> CWLTH 1 page 4 paragraph 29.

<sup>16</sup> Transcript page 6 lines 2 – 6.

<sup>17</sup> Transcript page 6 line 38 – page 7 line 3.