



Australian Government
Defence Force Remuneration Tribunal

STATEMENT

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

ANNUAL REVIEW OF DETERMINATIONS: SALARIES AND ALLOWANCES - 2018
(Matter 1 of 2018)

MS I. ASBURY, PRESIDENT

MR A. MORRIS, MEMBER

CANBERRA, 13 DECEMBER 2018

RADM J. GOLDRICK AO CSC RAN RTD, MEMBER

[1] Subsection 58H(6) of the *Defence Act 1903* (the Act) prescribes that: “*where a determination of the Tribunal in respect to the salaries and relevant allowances to be paid to members is in force, the Tribunal shall inquire into and make a further determination in respect of those salaries and allowances:*

- a. Within two years of the first-mentioned determination taking effect; or*
- b. If the Minister, by notice in writing given to the President, requires the tribunal to make a further determination in respect of those salaries and allowances within a shorter period of the first mentioned determination taking place – within the shorter period”.*

[2] Pursuant to this obligation, the Australian Defence Force (ADF) submitted determinations made by the Tribunal during 2015 for review.¹ An opening hearing in this matter was held on 22 March 2018 with Mr J Phillips SC appearing for the ADF and Ms P Morrison for the Commonwealth.

Background

[3] Historically the task of this review has come to be referred to as an “Annual Review” although we note that s.58H(6) of the Act refers to an obligation to ‘inquire into’ determinations. We continue to adopt the prior description noting the obligation as set out in the legislation.

[4] Each Annual Review incorporates analysis of each determination by providing:

- a. a background to the target employment category;
- b. the intended purpose;
- c. an evaluation of the implementation and effectiveness to date; and
- d. recommendations for further consideration where applicable.

[5] The Review does not preclude the ADF from filing an application in respect of any of the determinations for consideration by the Tribunal in the future.

[6] We do not consider determinations made in respect to each ADF Workplace Remuneration Arrangement within this Review as they are reviewed annually when each increment is determined.

Submissions

[7] When undertaking this review the ADF submits it gathered feedback from the following areas of Defence to get a complete picture of the success (or otherwise) of the implementation and effectiveness of each determination:

- a. the relevant leadership of the affected workforce;
- b. each of the Service industrial policy units;
- c. each of the Services’ career management agencies;
- d. payroll administration units; and
- e. any other relevant business unit affected by the issue.²

[8] The ADF opening statement made in the hearing provided a review of the ten determinations made in 2016 as detailed below:

Number	Matter Number	Effect	Outcome
1 of 2016 2 of 2016	14 of 2015	Made provision for Submarine Capability Allowance to be paid to eligible submariners.	A review was provided in Matter 15 of 2017. A more comprehensive review is to be provided in 2020.
3 of 2016	3 of 2015	Repealed two allowances that expired in October 2011.	No further action required
4 of 2016	12 of 2015	Amalgamated three employment categories into Armoured Cavalry category.	No further action required
5 of 2016	N/A	Corrected cross-referencing to 58B allowances.	No further action required
6 of 2016	N/A	Service Allowance Amendment	Provided for clarification of eligibility. No further action required.
7 of 2016	N/A	Amended five Army employment categories. Set non-reduction provisions for 24 months.	Non-reduction provisions ceased in November 2018 ³ . No further action required
8 of 2016	9 of 2014	Workplace Remuneration Arrangement	No action required
9 of 2016	9 of 2016	Amended Language Allowance nomenclature, categorisation and qualifications.	Language Allowance remains under continued review by the ADF. ⁴
10 of 2016	12 of 2016	Removed restrictions on salary payment by Defence when serving with the UN.	Had immediate effect. No further action required.

[9] The ADF also summarised the progress of any outstanding undertakings from previous Tribunal reviews⁵ and reports.⁶

[10] The Commonwealth did not make a formal submission in this matter. The Commonwealth did make an opening statement in the hearing, “*lending support*” for the matter and “*agreeing with the contents of what needs to be reviewed*”.⁷

[11] The ADF made a supplementary submission on 26 November 2018 and advised the Tribunal, as a matter of courtesy, of changes in training regimes and internal workforce administrative management arising from previous matters that occurred during 2018.⁸

Consideration

[12] Of the ten determinations made by the Tribunal in 2016 we agree that only three required consideration.

[13] We accept an evaluative approach was undertaken by the ADF and that this was completed with the intention of recommending any need for a further determination.

Conclusion

[14] Having inquired into each of the determinations and taken into account the ADF submission we do not intend to issue a further determination in respect to salaries or allowances reviewed in this matter.

[15] The consideration of these determinations, and this Statement, constitute review as required under the Act.

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

¹ADF Submission (ADF1) Matter 1 of 2018 - *2018 Review of Salary and Allowance Determinations* dated 22 March 2018

²ADF 1 Part 3 page 10 paragraph 3.1.2.

³ADF1 Part 3 page 12 paragraph 3.3.5

⁴Letter DMR/OUT/2018/44 *Update on the progress of the ADF Language Remuneration Framework* dated 27 November 2018.

⁵ADF 1 Part 2 pages 6 – 9.

⁶<https://www.dfrt.gov.au/sites/default/files/Decision-Annual-review-2017.pdf>

⁷Transcript 22 March 2018 page 7 lines 14 and 15.

⁸DMR/OUT/2018/43 Notifications to changes to Defence submissions dated 26 November 2018