



Defence Force Remuneration Tribunal

STATEMENT

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

ROYAL AUSTRALIAN NAVY: RETENTION INCENTIVE PAYMENT – REPORT BACK

(Matter 4 of 2020)

MS I. ASBURY, PRESIDENT

MR A. MORRIS, MEMBER

CANBERRA, 26 FEBRUARY 2020

RADM J. GOLDRICK AO CSC RAN RTD, MEMBER

[1] This statement arises from the requirement, set by this Tribunal, for the Navy to ‘report back’ on the implementation of the Navy Retention Incentive Payment as introduced from 1 July 2019 in Matter 2 of 2019 – *Royal Australian Navy – Retention Incentive Payment*. This statement should therefore be read in conjunction with our decision in that matter.¹

[2] We considered this matter in conference on 19 February 2020. The Deputy Chief of Navy, Rear Admiral M. Hammond AM RAN assisted us in the discussions.

[3] We note that the Navy Retention Incentive Payment has been “*well received to date by the workforce*” and accept the encouraging evidence provided in writing as to the implementation, workforce engagement, evaluation and second order effects of the payment.² We also note the positive impact other non-financial initiatives are having on retention and are encouraged that the separation rate for members leaving the Navy has reduced substantially to 6.81% with a healthy growth of 549 members in the trained workforce over the period. We agree that future six-monthly report backs are likely to be able to provide more detailed quantitative data to reflect the impact the payment has had on the workforce.

[4] Of note however, an issue was raised in this first report back with regard to the eligibility of the chaplain workforce for the payment. The ADF state this has arisen because Navy Chaplains hold an ‘honorary’ or ‘notional’ rank based on Divisions with an honorary rank attached to each Division. As such, the chaplain workforce were not expressly included in DFRT Determination 2 of 2019³ *Allowances – Navy Retention Incentive Payment* which gave effect to the payment from 01 July 2019.

[5] We note that, as a workforce, Navy chaplaincy is experiencing the same ‘workforce hollowness’ as detailed in the ADF submission in Matter 2 of 2019.⁴ We accept that the demographics of the Division 1 and 2 cohort are aligned with those to which Navy is focused to recruit and retain through the application of the Retention Incentive Payment.

[6] To remedy this we agree to include Navy chaplains in the honorary ranks of Lieutenant and Lieutenant Commander (i.e those Chaplains in Division 1 and 2 of the Chaplain Specialist Officer Career Structure⁵) in order for them to be eligible for the Navy Retention Incentive Payment applied retrospectively from 01 July 2019.

[7] Determination 2 of 2020 gives effect to this amendment from 26 February 2020.

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

¹ https://www.dfrt.gov.au/sites/default/files/decision_-_navy_retention_incentive_payment_0.pdf

² ADF submission Navy Retention Incentive Payment – Report Back December 2019.

³ https://www.dfrt.gov.au/sites/default/files/determination_2_of_2019_navy_retention_incentive_payment_1.pdf

⁴ ADF1 Navy Retention Incentive Payment.

⁵ <https://www.dfrt.gov.au/sites/default/files/ADF-Chaplains-FINAL-decision-20.2.2014.pdf>