Defence Force Remuneration Tribunal Annual Report



Period: 1 July 2022 – 30 June 2023

President's overview

This past year saw historic transformation in the improvement of remuneration for the Australian Defence Force (ADF). The ADF Modernisation Program and Military Factor Framework, which commenced in 2019 and concluded in May this year, reformed three main areas of the ADF employment offer: salary and salary-related allowances, housing and categorisation.

This change was a significant evolution in the ADF's journey to modernise, simplify and increase the transparency of the overall employment offer. We are very pleased to have been able to play a part in reforming the allowance structure into a more workable framework of 12 tiers, to provide a modern employee value proposition that is more understandable, affordable and administratively sustainable, for all members of the ADF.

Sadly, this is my last report as President of the Defence Force Remuneration Tribunal. I have been deeply honoured, and incredibly proud, to work with members of the ADF since April 2016 and wish to place on the record my thanks to all the Service men and women I have encountered in this role. Their dedication to what they do, and the contribution they make to Australia, domestically and internationally is extraordinary, and regrettably is often unknown to, and overlooked by, the media and the public. They have my utmost admiration and respect, and it has been my privilege to observe their incredible work first hand.

It has also been an enormous privilege to engage in the consultation processes for ADF remuneration, which are the culmination of years of effort and expertise. The remuneration component of the ADF employment offer reflects the unique skills and subject matter expertise of Service men and women who fill the employment categories, across the ADF. It has been immensely rewarding to have been given an opportunity to meet and engage with some of the people who make such a significant contribution to our daily lives and security, both at home and internationally, and to gain an understanding of their important work. I also thank the Tribunal Secretariat, Mr Martyn Hagan Ms Michelle Coffill OAM and Ms Katrina Blazey who have supported our work. I particularly wish to express my gratitude to the Tribunal's Advisor, Ms Katrina Blazey whose invaluable support and knowledge has assisted us to carry out our role. The expertise and professionalism of the Secretariat has ensured a smooth and consistent work program, and that hearings and inspections have been conducted with a high level of professionalism.

In closing, I wish to pay my deepest respects to a friend and former member of the Tribunal, Rear Admiral James Goldrick AO CSC RAN Rtd who sadly passed away in March this year. In addition to his distinguished and extraordinary career as a Naval officer, he was an educator, mentor and renowned historian and we remember his contribution to the work of this Tribunal – the depth of his knowledge, constant interest and curiosity and his ability to apply his expertise to the vital work we do was exceptional. We valued his guidance, his friendship and his unfailing sense of humour.

1. INTRODUCTION TO THE TRIBUNAL

The Defence Force Remuneration Tribunal was established in 1984 to determine the pay and allowances of members of the Australian Defence Force (ADF), considering the special nature of ADF service.

The Tribunal is an independent authority established under section 58G of the *Defence Act 1903* (the Act). The functions of the Tribunal, as set out in section 58H(2) of the Act, are to:

- (a) inquire into and determine the salaries and relevant allowances to be paid to members; and
- (b) inquire into and make determinations in respect of prescribed matters that have been referred to the Tribunal.

In addition, under section 58KD:

The Tribunal may, in making a determination, give effect to any agreement reached between the Minister, acting on behalf of the Commonwealth, and the Chief of the Defence Force, acting on behalf of the members of the Australian Defence Force, in relation to a matter to which the determination relates.

2. MEMBERSHIP OF THE TRIBUNAL

The Tribunal consists of three part-time members appointed by the Governor-General. In accordance with the relevant legislation. The President is to be a Deputy President of the Fair Work Commission and members must include a person who is experienced in industrial relations matters, and a person who has previously been a permanent member of the ADF. The current Tribunal members are Ms Ingrid Asbury (Acting President), Mr Adrian Morris (Member) and Major General Gerard Fogarty AO (Ret'd) (Member): https://www.dfrt.gov.au/about/tribunal-members.

3. THE PERFORMANCE OF TRIBUNAL FUNCTIONS

The Act provides that the Tribunal may regulate the conduct of its proceedings and is not bound to act in a formal manner. The Tribunal may inform itself on any matter in such a manner as it thinks fit and is not bound by the rules of evidence.

4. THE OPERATIONS OF THE TRIBUNAL

In order to have the Tribunal consider matters, the ADF makes applications to have a specific matter heard. The ADF and Commonwealth present written submissions to the Tribunal and make recommendations on whether the matter should be heard formally, considered on papers or informed by conference. Some matters are also informed by inspections.

On completion of hearings or conferences, the Tribunal adjourns to consider the evidence and the draft determination put to them by the parties. This results in a formal written decision providing reasons for the Tribunal's conclusions. Both the decision and the determination are published on the Tribunal's website.

Determinations are subsequently tabled in Parliament by the Minister for the Public Service.

5. PARTIES AND THEIR ADVOCATES

The major parties appearing before the Tribunal are the ADF, represented by the Defence Force Advocate, and the Commonwealth. These parties are entitled to be present and to make submissions during any proceedings.

The office of Defence Force Advocate is vacant at the time of writing, however had been held by Mr Jeffrey Philips SC until February 2023. The Commonwealth is represented by employees of the Australian Public Service Commission (APSC); over the period of this report, the advocate role for the Commonwealth was performed by Mr Harrison Miller and Mr Nicholas Doukas.

6. INTERVENERS

Under section 58K (10) of the Act, where the Tribunal thinks that a person or body should be heard in relation to a matter, the Tribunal may permit them to make a submission or to seek leave to appear before the Tribunal. There were no interveners in matters during this year.

7. REVIEWS

The Tribunal has a statutory obligation under section 58H(6) of the Act to inquire into and make a further determination in respect of matters it has previously determined:

- (a) within 2 years of the first-mentioned determination taking effect; or
- (b) if the Minister, by notice in writing given to the President, requests the Tribunal to make a further determination in respect of those salaries and allowances within a shorter period of the first-mentioned determination taking effect within that shorter period.

These reviews are conducted as the first matter of each year.

8. HEARINGS

Where the Tribunal determines that a formal hearing is required, it is usually held in Canberra. This year one hearing was held in Albury, NSW in December 2022.

9. MATTERS CONSIDERED IN 2022-23

The complexity of matters means that they are often considered over a period of months and can involve a combination of hearings, inspections and conferences.

A list of all matters considered during the year and the resultant determinations are published on the website: http://www.dfrt.gov.au/matters

The major matters listed by the ADF for consideration in 2022-2023 are detailed below:

Matter 12 of 2020 - ADF Workplace Remuneration Arrangement 2020-2023

Matter 2 of 2022 - Navy Retention Incentive Payment - Report Backs 2022

Matter 3 of 2022 - <u>Senior Officer Graded Structure</u>

Matter 7 of 2022 – Navy: Boatswains Mate Sailor

Matter 8 of 2022 - ADF Modernisation Program - Tranche 2

Matter 9 of 2022 - Royal Australian Electrical and Mechanical (RAEME) Ground Trades

Matter 12 of 2022 - Navy and Army Physical Training Instructor - Direct Entry Pathway

Matter 2 of 2023 - Submarine Capability Assurance Payment - Eligibility Amendment

Matter 3 of 2023 - Navy Retention Incentive Payment - extension

Administrative matters

The following matters were administrative in nature or were concerned with name or structural changes. The Tribunal considered them on papers or in conference with the parties.

Matter 1 of 2022 - Annual Review of Determinations 2022

Matter 4 of 2022 - Navy Gap Year Officer Salary Placements - Report Back

Matter 5 of 2022 - ADF Medics Temporary Entry Placements - Report Back

Matter 6 of 2022 - <u>Air Force Network Technicians - Report Back</u>

Matter 10 of 2022 - <u>Air Force Physical Training Instructors</u>

Matter 11 of 2022 - Army and Air Force - Imagery Specialists

Matter 13 of 2022 - Navy: Maritime Cyber Warfare Sailor

Matter 14 of 2022 - Air Force Technical Engineering Workforce LAC/W Supervisor

10. INSPECTIONS

Inspections may be initiated by the Tribunal or the parties when it is considered that a practical review of work performed by ADF members will be critical to the Tribunal's understanding of a particular matter. Inspections are most beneficial in assisting the Tribunal to reach decisions because they allow Tribunal members to witness firsthand, albeit in a limited way, the working and living conditions of ADF members across a range of employment categories and localities. The ADF and Commonwealth parties, as well as the Secretariat Advisor, normally accompany the Tribunal on inspections.

One <u>inspection</u> was conducted this year in conjunction with Matter 9 of 2022 to the Army School of Electrical and Mechanical Engineering in the Albury Wodonga Military Area.

11. VISITS

The Tribunal undertakes visits to ADF units, establishments and vessels without specific reference to particular matters. These visits include open forums with ADF members of all ranks.

This year a <u>visit</u> was conducted to the Army Logistics Training Centre, the Army School of Health, and the Army School of Ordnance in the Albury Wodonga Military Area.

12. TRIBUNAL ADMINISTRATION

Secretariat support

The Tribunal is supported by a secretariat staffed by employees of the APSC who operate from premises in the Treasury Building, Parkes ACT. The Tribunal sits in those premises when conferences and hearings are held.

Financial matters

The Tribunal's financial requirements are met through the APSC; there are no separate accounts applicable to the Tribunal.

Website

The Tribunal's website (www.dfrt.gov.au) is hosted by the APSC. The website provides information on the Tribunal's current activities, work program and hearing schedule. It also provides historical information on the Tribunal's operations and decisions.

Freedom of information

The Tribunal is considered to be a separate agency for the purposes of freedom of information. Agencies subject to the *Freedom of Information Act 1982* (FOI Act) are required to publish information to the public as part of the Information Publication Scheme. The Tribunal publishes this information on the website.