



Defence Force Remuneration Tribunal

DECISION

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

NUCLEAR SUBMARINER WORKFORCE – TRANCHE 2 (Matter 11 of 2024)

MS B. O'NEILL, PRESIDENT

MR A. MORRIS, MEMBER

CANBERRA, 9 SEPTEMBER 2024

MAJGEN G. FOGARTY AO RETD, MEMBER

[1] This decision arises from a listing application from the Australian Defence Force (ADF) for a determination to be made under Section 58H of the *Defence Act 1903* (the Act). The listing application¹ seeks to establish 8 non-nuclear trained Virginia class (SSN-V) sailor workgroups to recognise those personnel already undertaking SSN-V training and enable ab initio recruitment.

[2] We considered this tranche in a hearing on 13 August 2024. Ms K Hagan appeared for the ADF and Mr K Wong for the Commonwealth. Commodore M Jacobson CSC RAN, Director General Submarines, appeared as a witness for the ADF.

Background

[3] This application is the second in a series of 4 tranches seeking the establishment of new nuclear powered submarine (SSN) workgroups and respective salary structures. It should be read in conjunction with our decision in Matter 7 of 2024² Tranche 1 (T1) which determined 3 employment categories, recruitment pathways, and an interim remuneration structure for the current nuclear submariner workforce.

Submissions

ADF

[4] The ADF submits Tranche 2 (T2) *‘further progresses the establishment of the SSN workforce by seeking to establish eight new workgroups for submariners not required to hold a nuclear qualification’*. It states the non-nuclear workforce in this tranche is comprised primarily of operator and/or technical trades who will make up the bulk of the SSN workforce³ - a workforce colloquially known as ‘front of boat’ personnel.

[5] Specifically the ADF seeks to:

- a. establish 8 new SSN-V employment categories:
 - i. Sonar Technician – Submariner (ST-SM);
 - ii. Information Systems Technician Electronic Warfare – Submariner (ITE-SM);
 - iii. Information Systems Technician Communications – Submariner (ITR-SM);
 - iv. Electronics Technician Fire Control – Submariner (ETFC-SM);
 - v. Electronics Technician Navigation – Submariner (ETV-SM);
 - vi. Machinist’s Mate Weapons – Submariner (MMW-SM);
 - vii. Machinist’s Mate Auxiliary – Submariner (MMA-SM); and
 - viii. Hospitality Specialist – Submariner (HS-SM).
- b. set salary placements in the Graded Other Ranks Pay Structure (GORPS) for the above employment categories; and
- c. seek non-reduction provisions for Collins Class Submarine (CCSM) and ADF transfers to the new employment categories in recognition of the priority to develop the SSN-V workforce.⁴

[6] The proposal involves 3 entry avenues into the proposed new workgroups – ab initio, internal Navy transfers from CCSM qualified members, and in-Service ADF transfers. All 3 modes will utilise existing GORPS pay grade placements.

Commonwealth

[7] The Commonwealth supports the proposal⁵ and notes the *'conservative approach to proposed T2 salary and skill grade placements assessed against established CCSM workgroups'*. It agrees *'work value is in line with the submarine workforce remuneration principles'*.⁶

Witness Evidence

[8] Commodore (CDRE) M Jacobson gave written and oral evidence in support of the proposal.

[9] He outlined that the current CCSM workforce is *'comprised of 12 workgroups: four warfare, four technical and four support groups'*. In contrast, he explained the SSN-V *'will require a workforce of at least 14 workgroups'*. Based on current Royal Australian Navy (RAN) definitions, he detailed these will consist of *'four warfare, five technical, and five support workgroups'*.⁷

[10] He explained that the T2 proposition seeks remuneration arrangements for workgroups that are the *'same or similar as CCSM workgroups, based on a limited work value assessment and comparison of work functions between the SSN-V and CCSM workgroups'*.⁸

Considerations

[11] We note there are presently 14 RAN sailors at various stages of their respective non-nuclear training with the United States Navy (USN) including 5 ITR-SM, 4 ITE-SM, 1 ETFC-SM, 2 ST-SM, 1 MMA-SM and 1 ETV-SM – all of whom have transferred from Navy's CCSM or surface fleet workforce.⁹ We accept that this year *'50 in-Service members across a range of technical, information systems and operations workgroups are required to commence the USN ab initio training pipeline'* and that, *'until DFR recruitment rates are understood, training numbers will be achieved through in-Service transfers, CCSM workgroups and broader Navy workgroups'*.¹⁰

[12] Along with the Commonwealth, we accept this tranche has been designed with the overarching Submarine Remuneration Principles that informed T1. Namely, that:

- a. salary placements are based on work value analysis of CCSM and SSN workgroups;
- b. for non-nuclear workgroups, additional SSN training and skills may be recognised with different pay, otherwise the same outcomes as CCSM workgroups will apply with appropriate SSN skill and grade triggers to be identified; and
- c. for nuclear qualified workgroups (including those in T1) additional work value and qualifications will be recognised via differentiation in pay placement.¹¹

[13] We note that, unlike T1 where nuclear qualified workgroups had no RAN equivalency, the T2 workforce has similarities and equivalencies with existing CCSM workgroups so the work value has been more easily assessed and established. Despite this, we accept there are *‘fundamental differences in the way SSN-Vs are crewed and how work is structured onboard between the workgroups’*.¹²

[14] We note that all RAN SSN personnel *‘will be required to undertake SSN training, achieve USN competency gates and be posted to USN platforms to achieve Sovereign Ready milestones’*.¹³ We accept this has warranted the development of new workgroups with career continuums mirroring the USN, including the alignment of skill grades with pay grades.¹⁴

[15] We are cognisant that one of the key challenges for Navy is maintaining the CCSM workforce while also attracting sufficient numbers, at least in the initial stages, to the SSN pathway. We particularly note the evidence of CDRE Jacobson that *‘whilst most CCSM members identify a transfer to SSN as an opportunity for personal and professional growth, there is some initial apprehension being felt by those who are currently undergoing SSN training’*. We accept *‘there are feelings amongst some they are taking a risk in their careers, particularly in these early stages where so much is unknown’*. We agree with him that *‘the key to managing these members lies in how Navy monitors and supports this workforce, carefully considering the feedback provided and designing more mature SSN continuums and salary arrangements once more is known’*.¹⁵

[16] In this vein, we accept the advice provided in the hearing that Navy has received recent feedback from members in non-nuclear roles who have just engaged in the USN pipeline training’ which *‘does indicate a view by those members where they are feeling that the work value may be of a higher value than what is performed in the Collins Class submarines’*.¹⁶ We accept Navy is *‘still in the process of reviewing the contents of the feedback’*.¹⁷

[17] In the hearing, the Commonwealth questioned CDRE Jacobson’s written evidence regarding how some members *‘may feel that they are taking a risk in their careers when there are so many unknowns’*. It further expanded on this, querying CDRE Jacobson if there were *‘any non-remunerative measures’* that could provide *‘more certainty and safety’*.¹⁸ We note CDRE Jacobson’s evidence in reply that he considers a combination of remuneration and policy will, over time, allow Navy to better articulate *‘what the requirements are for people, as to what skill grades, what their careers will look like, how we can take away uncertainty through career management and what postings will look like’*.¹⁹

[18] In the hearing we deliberated on the AUKUS approach and the impending impact of workgroups on those future platforms. We accept the advice of CDRE Jacobson that *‘decisions will need to be made about how we are going to transition a force into the next platform’* and that there *‘is much discussion on how we execute that’*.²⁰

Conclusion

[19] In closing, we agree with the requirement for these 8 new workgroups, with career continuums mirroring the USN and including the alignment of skill grades with appropriate pay grades.

[20] We accept that members who require transitional arrangements into the SSN workforce will be individually managed. We note that *‘training liabilities, non-reduction provisions, and new career profiles will be communicated to the workforce through a range of mediums’*.²¹

[21] We agree to provide salary non-reduction provisions for CCSM and in-Service ADF transfers on transfer to the SSN pathways, under s.58H of the Act. Further, we accept the ADF may consider using bonuses administered under s.58B of the Act in conjunction as an *‘attraction and retention tool, should Defence Recruiting not achieve the recruitment and training demand through ab-initio entry’*. We agree that the ADF having the flexibility to enact other bonuses *‘may also result in lower loss rates from training and subsequent first sea posting, and potentially reduce future training demand’*.²² We ask the ADF to advise us on the deliberation or development of any such allowances related to the nuclear submariner workforces within each future tranche.

[22] We agree this proposition provides pay placements consistent with CCSM trained counterparts. Further we accept that T2 workgroups are indicative at this point. We agree that they will be *‘updated as information is clarified’* and *‘sufficient information is known to propose GORPS skill grade and pay grades for the full career continuums’*. We agree this is *‘appropriate and low risk as the proposed placements closely align with existing CCSM placement’*.²³ As previously indicated, the tranche approach continues to provide the ADF with flexibility in designing a remuneration structure which can be adapted as priorities change, timings for new workgroups are clarified, and career and training continuums are developed. We will continue to support this approach.

[23] Finally, we wish to congratulate those sailors who recently graduated with distinction from the USN’s Basic Enlisted Submarine School - with one of them named the ‘Honor Graduate’ for scoring a perfect 100% in the class. We wish them all well and remark on their trust in the future of the Navy, and its faith in them in return – it is commendable for all involved.

[24] Determination 9 of 2024 gives effect to our decision from 1 December 2024.

MS B. O’NEILL, PRESIDENT
MR A. MORRIS, MEMBER
MAJGEN G. FOGARTY AO RETD, MEMBER

Appearances:

Ms K Hagan for the ADF assisted by Captain J Craig CSC RAN and Flight Lieutenant L Hawkett

Mr K Wong for the Commonwealth assisted by Mr C Johnson

Witness:

Commodore M Jacobson CSC RAN, Director General Submarines

¹ DMR BN83891513 Listing Application: Navy: Nuclear Submariner Workforce – Tranche 2 – Non-Nuclear Qualified Workforce dated 24 June 2024.

² <https://www.dfrt.gov.au/matters/nuclear-submariner-workforce-tranche-1>

³ ADF Submission Nuclear Submarine Workforce – Tranche 2 – Non-Nuclear SSN Workforce (ADF1) dated 29 July 2024 page 13 paragraph 3.4

⁴ ADF1 page 10 paragraph 1.9

⁵ Commonwealth Submission Nuclear Submarine Workforce – Tranche 2: Non-Nuclear SSN Workforce (CWLTH1) dated 1 August 2024 page 3 paragraph 8.

⁶ CWLTH1 page 13 paragraph 80.

⁷ Affidavit of Commodore M Jacobson CSC RAN dated 30 July 2024 (ADF2) page 2 paragraph 10.

⁸ ADF2 page 3 paragraph 15.

⁹ ADF2 page 6 paragraph 24.

¹⁰ ADF1 page 17 paragraphs 5.4 and 5.5.

¹¹ ADF1 page 22 paragraph 6.1.

¹² ADF1 page 15 paragraph 5.1.

¹³ ‘Sovereign Ready’ refers to a point at which Australia has the ability to safely own, operate, maintain and regulate a sovereign conventionally armed, nuclear powered submarine capability.

¹⁴ ADF1 page 15 paragraph 5.2.

¹⁵ ADF2 page 7 paragraphs 27 to 29.

¹⁶ Transcript of 13 August 2024 page 4 lines 36 to 41.

¹⁷ Transcript page 4 line 43.

¹⁸ Transcript page 21 lines 28 to 30.

¹⁹ Transcript page 21 lines 36 to 44.

²⁰ Transcript page 23 lines 16 to 19.

²¹ ADF1 page 34 paragraph 8.6.

²² ADF1 page 32 paragraph 6.42.

²³ ADF1 page 36 paragraph 9.2.