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DMO PEOPLE

This chapter provides a summary of personnel initiatives for 2005–06 and a summary of the DMO workforce including personnel numbers, people priorities and initiatives, Workplace Health and Safety, and Performance Pay.

5.1 DMO PEOPLE

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DMO PEOPLE STRATEGY

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MATTER PRIORITIES FOR 2005–06PERSONNEL NUMBERS—STAFFING BY
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DMO PEOPLE

During 2005–06, the DMO faced a number of challenges in developing and retaining the skilled workforce it needs. In particular, the DMO faced:

- labour shortages (by skill and region) within the Australian workforce;
- fierce competition for skilled labour, in the Australian workforce generally and in the defence industry sector in particular;
- the increasing mobility of the Australian workforce (with changing expectations relating to work and careers); and
- image and reputation—related to adverse media coverage.

Despite facing these challenges, separation rates declined and recruitment outcomes improved, resulting in a net positive change in workforce numbers.

DMO PEOPLE STRATEGY

The DMO's strategy to address these challenges was to enhance the attractiveness of its employment offer, compared to other employers. The following elements contributed:

- The quality, complexity, scale and diversity of the work and opportunities in the DMO.
- Opportunities for involvement in massive projects of national and strategic significance.
- Opportunities for access and exposure to senior political, commercial and bureaucratic levels.
- Opportunities for development, training and diversification of skills, in a variety of work environments.

- The opportunity for a long-term and rewarding career.
- Remuneration and conditions of service (including financial and lifestyle factors).
- Opportunity for mobility within the DMO, including interstate and overseas postings and secondments.
- Improving corporate image and reputation of the DMO.

PERFORMANCE AGAINST PEOPLE MATTER PRIORITIES FOR 2005–06

This section reports on performance against priorities included in the overview of the People Chapter of the *Portfolio Budget Statements 2005–06* and in the *Portfolio Additional Estimates Statements 2005–06*. The people goal is to ensure that the shape, skills and culture of the workforce meet the business requirements of the DMO.

Table 5.1 specifically addresses priorities in 2005–06.

TABLE 5.1**PERFORMANCE AGAINST PEOPLE MATTER PRIORITIES**

Priority	Performance
Develop DMO-specific occupational health and safety requirements consistent with the <i>Defence Occupational Health and Safety Strategic Plan 2004–2006</i> and integrate those requirements into the Defence occupational health and safety management system; and	The DMO continues to work in partnership with Defence towards the integration of systematic approaches to managing occupational health and safety, with a focus on hazard elimination. Occupational health and safety initiatives in the DMO continue to be guided by the <i>Defence Occupational Health and Safety Strategic Plan 2004–2006</i> .
Continue to improve human resource service delivery by redeveloping and implementing a national shared service arrangement, and adopting best practice benchmarks and approaches for resourcing, business processes, information technology and systems, and relationship management.	<p>A Human Resources Shared Services Arrangement was piloted and implemented in 2005–06 in Victoria and the Australian Capital Territory. This model was not fully implemented nationally because of the large number of dispersed locations of System Program Offices around the country and a Systems Division preference to retain their own human resources support staff. An alternative model was developed based on a national human resources Community of Interest which allows divisional human resources support staff to remain in local units and gain access to standardised corporate business processes, policy and products, tools and systems. The primary aim of the DMO Human Resources Community of Interest is to:</p> <ul style="list-style-type: none"> • raise the profile and professionalism of human resources staff and improve the standard of human resources customer service; • promote cultural change and lead standardisation across the Human Resources practice; and • improve communication and understanding of new Human Resources environment and the DMO reform agenda. <p>Feedback from members of the Human Resources Community of Interest is positive and the DMO will continue to implement this model. The DMO has also given priority to establishing an e-recruitment system to improve the ability to attract new recruits to the organisation. This builds on initiatives already implemented in improving recruitment and retention for critical skilling groups.</p>

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PERSONNEL NUMBERS— STAFFING BY AVERAGE STRENGTH

This section provides information on average staffing levels for the year and compares numbers of personnel with our estimates for the financial year.

The DMO's workforce average strength in 2005–06 was 6,536 or 15 over the revised estimates. This was due primarily to the net effect of permanent military personnel shortfalls across the three Services, and

growth in APS personnel numbers associated with the 23 per cent increase in funds under management for 2006–07 and the use of alternative labour to meet the shortfall in the ADF permanent workforce.

Table 5.2 provides details.

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TABLE 5.2 DMO AVERAGE FUNDED STRENGTH/FULL TIME EQUIVALENT BY RANK/LEVEL

	2004-05 Actual	2005-06 Budget Estimate	2005-06 Revised Estimate	2005-06 Actual	2006-07 Budget Estimate	2005-06 Variation ⁽¹⁾	
						No	%
APS							
Senior Executives	30	30	30	29	30	-1	-3
Senior Officers	995	973	1,036	1,064	1,140	28	3
Other APS Staff	3,338	3,445	3,342	3,409	3,450	67	2
Subtotal APS ⁽²⁾	4,363	4,448	4,408	4,502	4,620	94	2
PSP Workforce ⁽³⁾	388	338	338	393	374	55	16
Subtotal APS/PSP	4,751	4,786	4,746	4,895	4,994	149	3
NAVY⁽⁴⁾							
Star Ranked Officers	6	6	5	6	6	1	20
Senior Officers	47	49	49	49	49	-	-
Junior Officers	114	143	141	98	141	-43	-30
Other Ranks	139	155	156	124	156	-32	-21
Subtotal Navy	306	353	351	277	352	-74	-21
Reserve Forces ⁽⁵⁾	33	61	49	74	56	25	51
Subtotal Navy	339	414	400	351	408	-49	-12
ARMY⁽⁴⁾							
Star Ranked Officers	5	4	5	5	7	-	-
Senior Officers	44	44	45	42	44	-3	-7
Junior Officers	194	213	218	170	218	-48	-22
Other Ranks	218	240	217	194	215	-24	-10
Subtotal Army	461	501	485	411	484	-75	-15
Reserve Forces ⁽⁵⁾	53	67	54	84	59	30	56
Subtotal Army	514	568	539	495	543	-45	-8
AIR FORCE⁽⁴⁾							
Star Ranked Officers	6	5	6	6	6	-	-
Senior Officers	71	71	72	73	74	1	1
Junior Officers	394	403	403	355	413	-48	-12
Other Ranks	299	351	346	328	348	-18	-5
Subtotal Air Force	770	830	827	762	841	-65	-8
Reserve Forces ⁽⁵⁾	39	41	39	33	43	-6	-15
Subtotal Air Force	809	871	866	795	884	-71	-8
Subtotal Average Funded Strength Workforce	1,537	1,684	1,663	1,450	1,677	-213	-13
Subtotal Reserve Workforce	125	169	142	191	158	49	35
Subtotal APS/Professional Service Providers	4,751	4,786	4,746	4,895	4,994	149	3
Total DMO Workforce	6,413	6,639	6,551	6,536	6,829	15	1

Notes:

1. 2005-06 Actual compared to the 2005-06 Revised Estimate.
2. The 2005-06 APS strength represents full-time equivalents, ongoing and non-ongoing.
3. Professional Service Providers are individuals under contract filling line positions.
4. Navy, Army and Air Force strength represents an agreed Average Funded Strength (AFS) estimate and includes Reservists undertaking full-time service. Reservists undertaking full-time service were 31 (comprising Navy 19, Army 7 and Air Force 5).
5. Reserve strength represents Reservists who undertook paid service.

AUSTRALIAN PUBLIC SERVICE (APS) STAFFING

The APS full-time equivalent average strength for 2005–06 was 4,502 or 94 (2 per cent) more than the revised estimate of 4,408. This was due primarily to a growth in APS personnel numbers associated with the 23 per cent increase in funds under management programmed for 2006–07 and the use of alternative labour to meet the shortfall in the ADF permanent workforce. APS staff represented 69 per cent of the total DMO workforce.

PROFESSIONAL SERVICE PROVIDERS

In addition to military and civilian employees, the DMO engages Professional Service Providers as part of its total workforce. Professional Service Providers are individuals with specialist skills contracted to fill an APS line position usually due to an inability to recruit or retain civilian staff with these skills. Professional Service Providers are not DMO employees but are employed under contractual arrangements.

The Professional Service Provider full-time equivalent average strength for 2005–06 was 393 or 55 (16 per cent) more than the revised estimate of 338. This was due primarily to a shortfall in specialist skilled staff. Professional Service Providers represented 6 per cent of the total DMO workforce.

PERMANENT MILITARY STAFFING— MILITARY WORKFORCE AGREEMENTS

The Chief Executive Officer DMO and the Service Chiefs recognise that the posting of military personnel into the DMO benefits both organisations, in that it supports the DMO's understanding of the operational environment, and provides specialist military skills.

Military positions in the DMO are staffed in accordance with government policy for military staffing in the DMO as reflected in Military Workforce Agreements between the

DMO and each of the Services.

The Military Workforce Agreements address a range of matters including:

- command and control of military personnel;
- establishment and management of military positions;
- selection and employment of military personnel;
- performance of military personnel;
- tenure of military personnel;
- career management and professional development; and
- associated funding arrangements.

The permanent Defence Force average strength in 2005–06 was 1,450 or 213 (13 per cent) less than the revised estimate. This was due primarily to the impact of permanent military personnel shortfalls across the three Services. Permanent military staff represented 22 per cent of the total DMO workforce.

RESERVE MILITARY STAFFING

The number of Reservists who rendered paid service during 2005–06 was 191. This was 49 (35 per cent) more than the revised estimates of 142. This was due primarily to the proactive action taken by the DMO to establish a process to ensure maximum flexibility in the utilisation of reserve training days. Reserve military staff represented 3 per cent of the total DMO workforce.

EMPLOYEE EXPENSES

APS EMPLOYEES

The actual result for employee expenses in 2005–06 totalled \$353.9m. Table 5.3 provides details.

TABLE 5.3

EXPLANATION OF VARIATIONS IN EMPLOYEE EXPENSES

APS	2005-06 Budget Estimate \$m	2005-06 Revised Estimate \$m	2005-06 Actual Result \$m	Variation	
				\$m	%
Salaries, Allowances, Superannuation and Leave Liability	358.3	354.7	353.9	-0.8	-0.2
Total Employee Expenses	358.3	354.7	353.9	-0.8	-0.2

PERMANENT MILITARY STAFF

Permanent military staff allocated to the DMO are provided on a 'fee-for-service' basis, with Defence being the principal employer. The 'fee-for-service' is reflected in the price agreed with Defence under Military Workforce Agreements, with these expenses funded from suppliers expenses.

ACTUAL STAFFING AS AT 30 JUNE 2006

This section outlines the changes in the workforce that occurred during 2005-06, and provides personnel information at, or up to, 30 June 2006. It includes numbers of personnel, employment categories and locations, gender information, and details of recruitment and separations during the year.

RESERVE STAFF

The Services provide the DMO with a level of reserve days under a 'shared services' agreement, with any requirement above this level being purchased from suppliers expenses under contractual arrangements.

At 30 June 2006, DMO had 4,952 permanent APS employees and 1,464 permanent military members. The number of APS personnel recorded as employees includes full-time, part-time, ongoing and non-ongoing, and unpaid employees. This was 392 more personnel than the same time last year and is an overall increase of 6.5 per cent. Figures in the following tables show actual staff numbers as at 30 June 2006 and not average funded strengths.

PROFESSIONAL SERVICE PROVIDERS

In 2005-06, the DMO spent \$65.6m on Professional Service Providers, with these expenses funded from suppliers expenses under contractual arrangements.

TABLE 5.4**DMO PERMANENT PERSONNEL COMPARISON AS AT 30 JUNE 2005 AND 30 JUNE 2006⁽¹⁾**

	APS	Navy	Army	Air Force	Total
Total 2004–05	4,487	306	461	770	6,024
APS Separations ⁽²⁾	-366				-366
APS Additions ⁽³⁾	831				831
Military Staffing Variation		-22	-61	10	-73
Total Variation	465	-22	-61	10	392
Total 2005–06	4,952	284	400	780	6,416

Notes:

- Figures in this table show actual staff numbers, including paid and unpaid staff, excluding locally engaged civilians overseas
- Separations include all personnel who have left the DMO workforce through voluntary and involuntary redundancy, age or voluntary retirement, resignation or transfer to other agencies.
- Additions include all personnel who have joined the DMO workforce through direct recruitment action, enlistments from overseas, re-enlistments, including transfers from other agencies and non-ongoing personnel.

THE DMO WORKFORCE BY GENDER AND EMPLOYMENT CATEGORY**TABLE 5.5****DMO APS PERSONNEL AND DMO PERMANENT FORCES BY GENDER AND EMPLOYMENT LEVEL/RANK**

APS	As at 30 June 2005				As at 30 June 2006			
	Men	%	Women	%	Men	%	Women	%
Chief Executive Officer—DMO	1	0.0	0	0.0	1	0.0	0	0.0
Senior Executive Service	24	0.5	6	0.1	19	0.4	7	0.1
Executive Level	808	18.0	193	4.4	942	19.0	236	4.8
Other APS	2,378	53.0	1,078	24.0	2,527	51.0	1,220	24.7
APS Total	3,211	72	1,277	29	3,489	70	1,463	30
Navy Total	283	93	23	8	254	89	30	11
Army Total	428	83	33	7	372	93	28	7
Air Force Total	703	91	67	9	703	90	78	10
TOTAL	4,625	77	1,400	23	4,818	75	1,599	25

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TABLE 5.6

APS PERSONNEL BY GENDER AND CATEGORY AS AT 30 JUNE 2006 ⁽¹⁾

Category	Gender	Full-time	Part-time	Total
Ongoing employees	Male	3,387	7	3,394
	Female	1,379	15	1,394
Non-ongoing employees	Male	95	-	95
	Female	69	-	69
Total Male		3,482	7	3,489
Total Female		1,448	15	1,463
Total APS Personnel		4,930	22	4,952

Note:

1. Figures in this table show actual staff numbers, including paid and unpaid staff, excluding locally engaged civilians overseas.

DMO SENIOR MANAGEMENT

TABLE 5.7

STAR-RANKED OFFICERS AS AT 30 JUNE 2006

		Total star rank ⁽¹⁾			2005-06 Promotions ⁽²⁾			2005-06 Separations ⁽³⁾		
		Men	Women	Total	Men	Women	Total	Men	Women	Total
Three Star	Navy	-	-	-	-	-	-	-	-	-
	Army	-	-	-	-	-	-	-	-	-
	Air Force	-	-	-	-	-	-	-	-	-
Two Star	Navy	1	-	1	-	-	-	-	-	-
	Army	1	-	1	-	-	-	-	-	-
	Air Force	1	-	1	1	-	1	-	-	-
One Star	Navy	6	-	6	1	-	1	1	-	1
	Army	6	-	6	-	-	-	-	-	-
	Air Force	5	-	5	1	-	1	1	-	1
Total		20	-	20	3	-	3	2	-	2

Notes:

- Officers on acting or higher duties are not included.
- Promotions include those officers promoted between levels.
- Separations include only those officers who have separated from the DMO.

TABLE 5.8**APS SENIOR EXECUTIVE SERVICE AS AT 30 JUNE 2006^{(1) (2)}**

	Total SES			2005–06 Engagements			2005–06 Separations		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Senior Executive Service (Band 3)	1	-	1	-	-	-	-	-	-
Senior Executive Service (Band 2)	6	2	8	1	-	1	2	-	2
Senior Executive Service (Band 1)	13	5	18	2	2	4	1	1	2
Total	20	7	27	3	2	5	3	1	4

Notes:

- Figures in this table show actual staff numbers at their substantive level and officers on higher duties pending permanent filling action.
- Gains and losses do not reflect movement of officers between levels.
- Engagement figures include new engagements, promotions and transfers from other agencies for ongoing employees only.
- Separation figures include resignations and redundancies, and promotions and transfers to other agencies for ongoing employees only.

DISTRIBUTION OF DMO PERSONNEL**TABLE 5.9****DISTRIBUTION OF APS AND MILITARY PERSONNEL BY EMPLOYMENT LOCATION AS AT 30 JUNE 2006^{(1) (2)}**

State	NSW	VIC	QLD	SA	WA	TAS	NT	ACT ⁽³⁾	O/S ⁽⁴⁾	Total
Chief Executive Officer—DMO	-	-	-	-	-	-	-	1	-	1
Senior Executive Service	-	2	-	-	-	-	-	23	1	26
Executive Level	169	260	48	47	42	-	7	578	27	1,178
APS	1,087	1,198	363	130	166	-	29	762	12	3,747
APS	1,256	1,460	411	177	208	-	36	1,364	40	4,952
Navy ⁽⁵⁾	125	11	10	8	74	-	5	45	6	284
Army ⁽⁵⁾	10	222	83	8	1	-	3	57	16	400
Air Force ⁽⁵⁾	280	111	50	120	1	-	-	144	74	780
TOTAL	1,671	1,804	554	313	284	-	44	1,610	136	6,416

Notes:

- Figures in the table show actual staff numbers as at 30 June 2006, include personnel who are on unpaid leave.
- APS levels include information technology, professional, technical, trade/physical, officers full-time, part-time, ongoing, and non-ongoing personnel.
- ACT includes personnel located at Jervis Bay.
- Overseas figures represent personnel posted for long and short-term duty as at 30 June 2006.
- Permanent Forces figures include paid, unpaid members and Reserves on continuous full-time service. Personnel are shown in the location from which they are administered.
- Reserve forces figures with training obligations.

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RECRUITMENT

The DMO recruited 831 employees in the 12 months up to 30 June 2006, as shown in Table 5.10. This represented an increase in personnel from 2004–05.

SEPARATIONS

In the 12 months leading up to 30 June 2006, the DMO had 366 or 7 per cent of APS employees separate from the DMO. This figure is comparable with the 2005 result of 428 or 7 per cent separation rate.

TABLE 5.10 DMO APS RECRUITMENT 2004–05 AND 2005–06⁽¹⁾

2004–05	NSW	VIC	QLD	SA	WA	TAS	NT	ACT	O/S	Total
Senior Executive Service	-	1	-	-	-	-	-	9	-	10
Executive Level	1	7	1	2	1	-	-	30	-	42
APS	35	39	4	13	6	-	1	76	-	174
Total	36	47	5	15	7	-	1	115	-	226
2005–06	NSW	VIC	QLD	SA	WA	TAS	NT	ACT	O/S	Total
Senior Executive Service	-	-	-	-	-	-	-	5	-	5
Executive Level	12	20	6	5	3	-	1	65	3	115
APS	165	180	59	30	32	-	12	233	-	711
Total	177	200	65	35	35	-	13	303	3	831

Note:

1. Includes transfers from other agencies.

TABLE 5.11 APS SEPARATIONS 2004–05 AND 2005–06

	Voluntary	Involuntary ⁽¹⁾	Resignation/ Retirement ⁽²⁾	Transfers ⁽³⁾	Total
2004–05					
Senior Executive Service	-	-	4	2	6
Senior Officers	22	11	46	8	87
Other Staff	43	27	244	21	335
Total APS	65	38	294	31	428
2005–06					
Senior Executive Service	-	-	3	1	4
Senior Officers	10	1	65	24	100
Other Staff	10	32	204	16	262
Total APS	20	33	272	41	366

Notes:

1. 'Involuntary' primarily comprises member's performance managed or unsuitable for employment.

2. Resignation / Retirement include Complete non-ongoing, Resignation and Retirement.

3. Transfers to other agencies.

WORKPLACE EQUITY AND DIVERSITY

The DMO is firmly committed to creating a workplace free from harassment, discrimination and other unacceptable behaviour. The DMO implements policies and initiatives developed by the Defence Equity Organisation consistent with the *Defence Workplace Equity and Diversity Plan 2005–07* and the *Defence Disability Management Strategy 2004–07*.

WORKPLACE HEALTH AND SAFETY

The DMO is committed to achieving and sustaining the highest practical occupational health, safety and wellbeing standards for its people. In support of this aim, the DMO (through the DMO Safety Council) has focused its attention during 2005–06 on the following key initiatives:

- Occupational Health and Safety Audit—the DMO undertakes annual occupational health and safety systems audits of DMO workplaces. Areas that require attention are addressed through the development and implementation of workplace occupational health and safety action plans.
- Chrysotile Asbestos Management—Consistent with Government Regulatory requirements, the DMO has implemented an identification and substitution program to remove chrysotile asbestos from materiel.
- Safety Policy 2005—the DMO reviewed and revised its high-level occupational health and safety policy statement and re-issued it on 13 October 2005.
- Illness and Injury Intervention Pilot—during 2005–06, the DMO conducted a pilot program to achieve an early and effective return to work of ill or injured employees. Evaluation will be effected in the latter part of 2006.
- Safety Culture and Leadership—the DMO has developed initiatives for embedding a

strong occupational health and safety culture. DMO executives set the expectations, approaches and culture to drive positive occupational health and safety outcomes.

DESIGNATED WORK GROUPS AND COMMITTEES

In accordance with the *Occupational Health and Safety (Commonwealth Employment) Act 1991*, health and safety representatives are elected or selected within designated work groups across the DMO. Health and Safety Committees are established at DMO workplaces ensuring representation of employees by health and safety representatives.

At the corporate level within the DMO, the DMO Safety Council provides strategic guidance to its Divisions on health and safety. The DMO operates within the *Defence Occupational Health and Safety Management/ Union Agreement 2001–04*. The agreement was renewed to 30 June 2006.

A new agreement is currently being negotiated by Defence and is due for implementation in late 2006.

NOTIFICATION AND REPORTING OF INCIDENTS TO COMCARE

During 2005–06, 277 incident reports were received. Advice to Comcare is based on four categories of incidents: dangerous occurrences, incidents resulting in incapacity, serious personal injury and death.

Data on incidents over a three-year period is provided in Table 5.12.

Comcare was formally advised of 53 incidents. The remaining 224 incidents were managed internally.

INVESTIGATIONS BY COMCARE

Table 5.13 and 5.14 provide details of Comcare investigations and notices issued into DMO occupational health and safety matters, undertaken over the last three years.

TABLE 5.12 DMO—INCIDENT REPORTING IN THE DMO 2003 TO 2006

	2003-04	2004-05	2005-06
Required to report to Comcare			
Deaths	-	-	-
Serious Personal Injury ⁽¹⁾	9	19	20
Dangerous Occurrences ⁽²⁾	-	25	31
Incapacity ⁽³⁾	8	5	2
Total Reports to Comcare	17	49	53
Internally Managed Incidents ⁽⁴⁾	155	230	224
Total Incident reports	172	279	277

Notes:

1. Serious Personal Injury is defined as an injury or disease in a person caused by a work-related incident for which the person needs to be given emergency treatment by a registered medical practitioner, treated in hospital as a casualty without being admitted to hospital, or admitted to hospital.
2. A dangerous occurrence is a near miss event that could have, but did not, result in incapacity, serious personal injury or fatality.
3. Incapacity in being unable to perform DMO work for 30 or more consecutive days or shifts.
4. Serious personal injury, dangerous occurrences and incapacities were reported formally to Comcare.

TABLE 5.13 DMO—INVESTIGATIONS BY COMCARE IN THE DMO 2003 TO 2006

	2003-04	2004-05	2005-06
Planned investigation	-	4	-
Targeted investigations	-	-	-
Reactive investigations	-	-	2
Whole of agency investigations	-	1	-
Review of previous investigations	1	1	-
Total	1	6	2

NOTICES ISSUED TO THE DMO BY COMCARE INVESTIGATORS

TABLE 5.14 DMO—COMCARE NOTICES ISSUED TO THE DMO 2003 TO 2006

	2003-04	2004-05	2005-06
Improvement notices	-	-	-
Prohibition notices	-	-	-
“Do Not Disturb” notices ⁽¹⁾	-	-	1
Letter of statutory obligation	-	-	-
Removal or plant or sample	-	-	-
Total	-	-	1

Note:

1. Issued for a specific period of time to remove a threat to the health or safety of personnel.

DMO SAFETY AWARDS

In May 2006, the DMO established a health and safety awards program to recognise and reward health and safety excellence within the DMO. The DMO program will act as a feeder into the Defence Safety Awards and ultimately into the national health and safety awards program conducted by the Safety Rehabilitation and Compensation Commission.

During 2005–06, DMO staff participated in the Defence Safety Award program. A DMO employee from the F-111C Engine Business Unit—Mr Rodney O'Connor—won the best individual contribution to health and safety award.

COMPLAINTS HANDLING

UNACCEPTABLE BEHAVIOUR

All DMO personnel have the right to work in an environment free from harassment and discrimination, and an obligation for treating others fairly and inclusively. Commanders and managers across the DMO are responsible for promoting this ethos in their workplaces and for managing any complaints of unacceptable behaviour sensitively, seriously and expeditiously.

Unacceptable behaviour in the DMO is managed in accordance with two policy instructions, Defence Instructions (General) Personnel (DI (G) PERS 35-3 and 35-4) which were revised and promulgated on 11 February 2004.

Complaints of unacceptable behaviour that arise in the DMO are reported to the Defence Equity Organisation which manages a database of reported claims. The reporting of

claims has increased by 38 per cent over the last three years (see Table 5.15). The contributing reasons for the increase in reporting are:

- an increased awareness of what constitutes unacceptable behaviour;
- mandatory training over the last two years has emphasised the process for making and managing a complaint;
- greater confidence in management that complaints will be addressed;
- a well established equity adviser network in the DMO, providing advice and assistance to staff and management in the reporting and management of unacceptable behaviour complaints; and
- inclusion of mandatory training as a measurable criterion in Employee Performance Agreements.

ALTERNATIVE DISPUTE RESOLUTION

The DMO engages closely with the Directorate of Alternative Dispute Resolution and Conflict Management established in the Corporate Services and Infrastructure Group. A significant milestone for the program was achieved in June 2003, when the Secretary and the Chief of the Defence Force issued DI (G) PERS 34-4 *Use and Management of Alternative Dispute Resolution in Defence*.

The Directorate provides the DMO with dispute resolution processes including mediation, as a less formal means of managing and resolving disputes, conflicts, complaints and claims.

The DMO strongly encourages the use of alternative dispute resolution as a way of resolving workplace conflict, and seeks assistance from the directorate in relation to mediation issues as required.

TABLE 5.15

**DMO—REPORTED UNACCEPTABLE BEHAVIOUR COMPLAINTS
2003 TO 2006**

	2003–04	2004–05	2005–06
Reported Unacceptable Behaviour Complaints	24	31	33

REDRESS OF GRIEVANCE AND REVIEW OF ACTIONS

The DMO engages closely with the Fairness and Resolution Branch, which is responsible to the Chief of the Defence Force and the Secretary of Defence for providing independent investigation, review and handling of internal complaints.

During 2005–06, the DMO referred three applications for Review of Action under the *Public Service Act 1999*. Details of referrals for the last three financial years are reported by Defence in Chapter Five of its report.

DEFENCE WHISTLEBLOWER SCHEME

The Inspector-General’s organisation has been tasked with the role of managing the Whistleblower Scheme on behalf of the Department. The Inspector-General receives complaints and any complaints involving DMO staff are referred to the DMO for investigation and action.

The DMO considers any allegations raised seriously and has instigated misconduct action against employees where Whistleblower allegations have been proven.

During 2005–06, no complaints were referred to the DMO by the Inspector-General.

PERFORMANCE PAY

The DMO and Defence are required, under the Joint Committee of Public Accounts and Audit Requirements for Annual Reports June 2006, to report performance bonuses paid to Senior Executive Service and APS staff during 2005–06.

SENIOR EXECUTIVES

All Senior Executive Service employees within the DMO are covered by individual Australian Workplace Agreements.

Performance pay, in the form of performance bonuses for sustained high levels of performance, is available to some Senior

Executive Service employees covered by DMO Australian Workplace Agreements. During 2005–06, four Senior Executive Service staff within the DMO received performance pay.

NON-SENIOR EXECUTIVE STAFF

Performance-related pay was available to non-Senior Executive Service staff under the *Defence Employees Certified Agreement 2004–2006* (replaced as at 1 July 2006 by the *Defence Collective Agreement 2006–2009*). Subject to performance, employees may be entitled to progress to a higher pay point within the salary band for their classification. This salary advancement is not considered performance pay.

During 2005–06, salary advancement within an employee’s pay band was 3.8 per cent or, for an employee at the top of a pay band (or on a retained pay point), a lump sum payment of the greater of \$500 or one per cent of the employee’s rate of pay (adjusted for part-time hours, if applicable).

Salary advancement in the form of 3.8 per cent is not considered ‘performance pay’, but the lump sum payment made to employees at the top of the pay band which does not affect the employee’s nominal salary is considered as performance pay.

AUSTRALIAN WORKPLACE AGREEMENTS

Individuals covered by Australian Workplace Agreements may have access to performance based pay in the form of performance bonuses. As at 30 June 2006, 19 DMO non-Senior Executive Service employees were covered by individual Australian Workplace Agreements.

The following table provides the aggregated amount of these performance payments, by classification level, the average bonus payment and range for each level, the number of employees in each classification who received performance payment, and the aggregate bonus payment for the agency as a whole.

TABLE 5.16 PERFORMANCE PAY ⁽¹⁾

Level of Staff	Staff Eligible	Number of Staff Paid	Amount Paid (\$)	Average	
				Payment (\$)	Range (\$)
APS 1	25	25	12,411	496	410–500
APS 2	208	193	95,510	495	250–500
APS 3	394	366	181,597	496	200–500
APS 3–4	79	77	38,468	500	254–510
APS 4	198	187	94,898	507	285–510
APS 4–5	20	20	11,096	555	554–544
APS 5	738	705	388,740	551	221–566
APS 6	683	660	424,625	643	259–662
Executive Level 1 ⁽²⁾	510	2	1,526	763	648–878
Executive Level 2	135	107	104,667	978	396–992
Non-Senior Executive Service Australian Workplace Agreements	19	1 ⁽³⁾	10,120	10,120	–
Senior Executive Service Australian Workplace Agreements	24	4 ⁽³⁾⁽⁴⁾	146,944	36,736	–
Total	3,033	2,347	1,510,602	–	–

Notes:

1. The data in this table represents employees who were paid performance pay at any point during 2005–06.
2. The Executive Level 1 payband increased in November 2005. The majority of Executive Level 1 employees received performance progression (an increase to their substantive rate of pay) rather than a lump sum payment.
3. Bonuses are not able to be paid until July of each year. Bonuses paid from July 2006 onwards will be reflected in the 2006–07 annual report.
4. For 2005–06, Senior Executive Service bonus payments have been included where the Senior Executive Service officer has been engaged as a non-ongoing employee.

