



Defence Determination 2007/22

I, STEVEN RICHARD GRZESKOWIAK, Director General Personnel Policy and Employment Conditions, Personnel Executive, make this Determination under section 58B of the *Defence Act 1903*.

Dated 18 May 2007

S R GRZESKOWIAK
Director General
Personnel Policy and Employment Conditions
Personnel Executive

1 Citation

This Determination is Defence Determination 2007/22, Army – Trade transfer bonus.

2 Commencement

This Determination is taken to have commenced on 15 December 2006.

3 Amendment

Defence Determination 2005/15, Conditions of Service, as amended¹, is amended as set out in this Determination.

4 Clause 3.5.2 (Contents)

add at the end

Division 23 Army – Trade transfer bonus

5 Chapter 3 Part 5 Division 22 (Army – 1st Recruit Training Battalion recruit instructors scheme)

after the Division, insert

Division 23: Army – Trade transfer bonus

3.5.225 Purpose

The purpose of this Determination is to encourage Army members in non-technical trades to transfer to technical trades that have critical workforce shortages.

3.5.226 Payments under this Division

This Division deals with the following two types of payment.

- a. An attraction bonus paid in advance of a member's one year of service.
- b. A one year bonus payment that is paid at the end of the year of service.

3.5.227 Member eligible for an attraction bonus

1. A member is to be paid an attraction bonus under this Division if they meet all of the following conditions.
 - a. The member is in the Australian Regular Army.
 - b. The member's transfer to a technical trade listed in Annex 3.5.X has been approved by Army.
 - c. The member has started their trade training in the new trade.
2. A member may only be paid the attraction bonus once.
3. The following amount of attraction bonus may be paid to the member, depending on the degree of shortage in the technical trade they are transferring to.
 - a. For a trade listed as an employment category under Category A in Annex 3.5.X — \$12,500.
 - b. For a trade listed as an employment category under Category B in Annex 3.5.X — \$8,750.

See: Annex 3.5.X, Army – List of technical trades for trade transfer bonus

3.5.228 Member eligible for a one year bonus

1. A member is eligible for a one year bonus under this Division if they meet all of the following conditions.
 - a. The member has been paid an attraction bonus in return for being accepted for transfer to a technical trade listed in Annex 3.5.X.
 - b. The member has completed one year of service, either in training for the technical trade, or as a combination of training and work in that trade.
2. A member may only be paid the one year bonus once.
3. The following amount of one year bonus may be paid to the member, depending on the degree of shortage in the technical trade.
 - a. For a trade listed as an employment category under Category A in Annex 3.5.X — \$12,500.

- b. For a trade listed as an employment category under Category B in Annex 3.5.X — \$8,750.

See: Annex 3.5.X, Army – List of technical trades for trade transfer bonus

3.5.229 Member who is not eligible to enter scheme

1. A member is not eligible for a bonus under this Division if any of the following circumstances apply to them.
 - a. The member is currently serving a period of service for the purpose of Division 20, Army – Critical employment category retention bonus.
 - b. The member is currently serving a period of service for the purpose of Division 19, Army – Expansion and rank retention and completion bonus.
 - c. The member is currently serving a period of service for the purpose of Division 7, Army completion bonus scheme – various pay categories.
 - d. The member will reach compulsory retirement age before the end of the period of service they must undertake in return for a bonus they will receive under this scheme, and the member has not applied to have their retirement date extended to cover that period of service.
 - e. The member's fixed period of service will end before the end of the period of service they must undertake in return for a bonus they will receive under this scheme, and the member has not applied to have their fixed period of service extended to cover that period of service.
 - f. The member is performing a period of service imposed by Chief of Army under the *Defence (Personnel) Regulations 2002* (a "return of service obligation").
 - g. The member is an officer.
 - h. The member does not become eligible for the attraction bonus before 30 June 2010.

3.5.230 Member's options for payment under this Division

1. A member may choose to have their bonus payment paid into an account other than their normal pay account if they complete and return the form at Annex 3.5.Y before the bonus amount becomes payable.

See: Annex 3.5.Y, Army – Payment details form for trade transfer bonus
2. A member may not be paid an attraction or one year bonus under this Division after 30 June 2010.

3.5.231 Non-payment of one year bonus

1. If the member fails to complete the one year of service under this Division, for a reason not listed in subclause 3, the one year bonus is not payable to the member.

Example:

The member leaves the Army to work in the private sector after doing only nine months' training in return for the bonus. They have not done three months of service and so do not get the one year bonus.

2. A member may be paid the one year bonus if they fail to complete their year of service for any of the following reasons.

- a. The member ceases to serve in Army for a reason that is beyond the member's control.

Example: The member's service is terminated because of medical unfitness, or the member dies.

Non-example: The member's service is terminated for disciplinary reasons.

- b. The member transfers from the Australian Regular Army to the Reserves at Army's initiative.

Authority: Chapter 8 Part 2 Division 2 or 3 of the Defence (Personnel) Regulations 2002.

Example: A member reaches compulsory retirement age and leaves the Australian Regular Army after their application to extend service is refused. The member is transferred to the Reserves. The member is eligible for the one year bonus.

- c. The member is made redundant or retrenched.
- d. The member's selection for trade training is rescinded for Service reasons.

6 **Annex 3.5.W (Army – 1st Recruit Training Battalion recruit instructors scheme)**

insert at the end

the Annexes set out in the Attachment to this Determination.

NOTE

- 1. Defence Determination 2005/15 commenced on 31 May 2005. For previous amendments see Note to Defence Determination 2007/1 and see also Defence Determinations 2007/2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20 and 21.

ATTACHMENT

Annex 3.5.X: Army – List of technical trades for trade transfer bonus

These lists set out Category A and Category B technical trades eligible for the trade transfer bonus.

Category A

Employment Category Number	Employment Category
235	Metalsmith
405	Technician Telecommunication Systems (Tech Telecom Sys)
412	Technician Avionics (Tech Avionic)
421	Technician Electronic Systems (Tec Elec Sys)

Category B

Employment Category Number	Employment Category
146	Fitter Armament (Fitt Arm)
153	Aircraft Structural Fitter (Fitt Structural Acft)
154	Aircraft Life Support Fitter (Fitt Life Spt Acft)
229	Mechanic Vehicle (VM)

Annex 3.5.Y: Army – Payment details form for trade transfer bonus

Part A: Payment details

.....
(Rank) (Last name) (Given name) (Employee ID)

There are three options for payment.

- Option one: Paid into the member's normal pay account. The amounts will be taxed at the applicable tax rate at the time of payment.
- Option two: As an employer contribution to superannuation. This election is made once, but you will later be able to vary this election.
- Option three: As a combination of these.

All members are strongly advised to seek professional financial advice when making this decision. ADF members are not qualified to provide this advice.

Attraction bonus payment

I choose this payment method for my attraction bonus:

- Option one:** [] Paid into my normal pay account. The amounts will be taxed at the applicable tax rate at the time of payment.
- Option two:** [] The full amount paid as an employer contribution to superannuation. I have nominated a superannuation fund in Part B of this form.
- Option three:** []
 1. _____% of the bonus payment as an employer contribution to superannuation. I have nominated a superannuation fund in Part B of this form.
 2. The balance of the amount paid into my normal pay account. These will be taxed at the applicable tax rate.

*Tick one box. Only select **one** of the options.*

One year bonus payment

I choose this payment method for my payment of my one year bonus:

- Option one:** [] Paid into my normal pay account. The amounts will be taxed at the applicable tax rate at the time of payment.
- Option two:** [] The full amount paid as an employer contribution to superannuation. I have nominated a superannuation fund in Part B of this form.
- Option three:** []
 1. _____% of the bonus payment as an employer contribution to superannuation. I have nominated a superannuation fund in Part B of this form.
 2. The balance of the amount paid into my normal pay account. These will be taxed at the applicable tax rate.

*Tick one box. Only select **one** of the options.*

EXPLANATORY STATEMENT

Defence Determination 2007/22

This Determination amends Defence Determination 2005/15, Conditions of Service (the Principal Determination), made under section 58B of the Defence Act 1903 (the Act). Chapter 3 of the Principal Determination sets out provisions dealing with salaries and bonuses for members of the Australian Defence Force (ADF).

This Determination provides for an attraction and one year bonus scheme to encourage Army members in non-technical trades to transfer to technical trades that have critical workforce shortages. The payments are designed to address critical workforce shortages in specific technical trades.

Clause 1 of this Determination sets out the manner in which this Determination may be cited.

Clause 2 provides that the Determination is taken to have commenced on 15 December 2006. The retrospective application of this Determination ensures that members who transferred into a technical trade listed in Annex 3.5.X before the commencement of the 2007 academic year are eligible for this scheme.

Clause 3 specifies that the amendment is made to the Principal Determination, as amended.

Clause 4 inserts a new item in clause 3.5.2 of the Principal Determination, to advise of a new Division 23 in the contents of Chapter 3 Part 5.

Clause 5 inserts new Division 23 Army – Trade transfer bonus. The new Division has these features.

- Clause 3.5.225 outlines the purpose of the Determination.
- Clause 3.5.226 provides an overview of the two bonus payment types.
- Clause 3.5.227 outlines the members eligible for the attraction bonus under the Division. The attraction bonus is either \$12,500 or \$8,750, depending on the need for the technical trade in which the member has chosen to be trained and is paid to eligible members who commence training for a critical technical trade in Army.
- Clause 3.5.228 outlines the members eligible for the one year bonus under the Division. The one year bonus is paid to eligible members who complete one year of service in the trade training, or, if it finishes before the year is up, in a combined one year period of training and work in the new trade in Army.
- Clause 3.5.229 describes classes of members who are not eligible to accept the offer of a bonus under the Division. These classes are those who are already in receipt of another bonus, who fall outside the groups where the training will lead to work in the trade, or who are unable to serve for the period of the bonus.
- Clause 3.5.230 sets out the circumstances in which members may be paid the full amount of the one year bonus if they leave the bonus scheme before they have completed their year of trade training and work. It also sets out those members who are not entitled to any amount of one year bonus if they leave the scheme within that year by voluntarily resigning or taking up a bonus under the Military Superannuation and Benefits Scheme.

Clause 6 inserts new Annexes 3.5.X and 3.5.Y into the Principal Determination. Annex 3.5.X provides the list of trades for which the bonus may be paid and shows which level of bonus is payable for each trade. Annex 3.5.Y provides a suite of forms for the administration of the bonus scheme.

Criteria are provided for the exercise of discretions under the Principal Determination, as amended by this Determination. Adverse decisions are subject to merits review under the ADF redress of grievance system, including an appeal to the Defence Force Ombudsman.

The retrospective application of this Determination does not affect the rights of a person (other than the Commonwealth) in a manner prejudicial to that person, nor does it impose any liability on such a person.

Authority: Section 58B of the
Defence Act 1903