

CHARTER
EMPLOYMENT CATEGORY AND REMUNERATION
REVIEW COMMITTEE

(Service endorsed as at 3 Dec 10)

1. The Employment Category and Remuneration Review Committee (ECRRC), formerly known as the Employment Category Review Committee, is the principal advisory committee to the ADF on all salary and salary related allowances that fall under the jurisdiction of the Defence Force Remuneration Tribunal (DFRT) in accordance with section 58H (s.58H) of the Defence Act 1903 (the Act).
2. The Committee advises senior ADF management and makes recommendations on the remuneration of its Officers (other than Star Ranks), Warrant Officers, Other Ranks and trainees. Such recommendations are made consistent with established work value principles, capability, sustainability issues and/or external market forces, where applicable.
3. Proposals regarding salary or s.58H allowances are assessed by the Committee to determine the need for either formal category reviews or allowance reviews by the DFRT, or otherwise, noting the mandatory requirement for the Tribunal to conduct biennial reviews of salary and allowances in accordance with the Act.

Authority

4. The ECRRC is convened under the authority of the Director, Military Salaries and Allowances – Policy (DMSA-P) in order to provide a formal means by which the Services may be made aware of, contribute to and influence issues relating to the remuneration of ADF personnel.

Members

5. The membership shall comprise the following:
 - a. **Permanent members.**
 - (1) Chair, Secretary and endorsed DMSA-P staff, and
 - (2) Representatives of DGNPT, DGPERS-A and DGPERS-AF at a minimum equivalent level of Major or APS6; and
 - b. **Invited members.** Relevant sponsors of the employment categories or allowance recipients under the consideration of the committee and representatives of the Directorate of Workforce Planning, Recruitment and Retention (DGWPRR) appropriate to the Service(s) as required.

Tasks

7. The ECRRC has the following tasks:
 - a. facilitate the development of a common approach in addressing category-related remuneration issues across the ADF;

- b. assess the industrial merits of Service proposed changes to levels of remuneration, having had regard to prevailing DFRT determinations, and
- c. provide advice on the remuneration implications of any proposed changes to either an employment category or s.58H allowance.

Principles

8. The DFRT is the sole authority to approve the construct and rates of s.58H allowances, pay grade placements and remuneration of ADF personnel that are based on Service approved training regimes and/or employment category structures.

9. Each Service has the authority to determine, approve and manage their employment category and training structures, together with the authority to recommend implementation of allowance or bonus payments and initiate all review requirements.

10. Having regard to the family and service taxonomies of the respective pay structures the ECRRC is to be advised of changes to category training continuums and determine whether the remuneration of employment categories require review by the DFRT as a consequence of such change, or for any other reason. Similarly, name changes must be actioned through the ECRRC Secretariat to effect change of the Schedules accompanying the Salaries Determination to the DFRT.

11. Service matters tabled for consideration by the Committee must have achieved the support of their relevant Service authority (DGPERS) prior to the meeting. Funding must be secured in order to gain final ECRRC endorsement and progress to the DFRT.

12. The ECRRC will only consider employment category remuneration matters that have been nominated by their parent Service, or have been identified by the DFRT for review. Tri-Service consideration must be conducted where appropriate.

13. The recommendations of the Committee are to be made by the Chair once the matter being addressed has been resolved. Unresolved matters or contentious issues regarding matters that impact prioritisation of action or allocation of resources are not to be proceeded with and forwarded to the Personnel Steering Group (PSG) for direction and return to ECRRC for finalization.

14. A matter will not normally be presented for approval or scheduled with the DFRT unless it is supported by an ECRRC recommendation.

Recommendations

15. After its consideration of a matter, the Committee will make one or more of the following recommendations:

- a. **That the matter requires endorsement or review by the DFRT** as the employment category or the s.58H allowance is a new requirement, is not considered to be at an appropriate level of remuneration or is inconsistent with the last formal DFRT review. Such a recommendation will initiate preparation for creation of a new category or allowance and/or review of a category or s.58H allowance by the DFRT at the first available opportunity. This provision includes mandatory two yearly reviews by the DFRT as prescribed in the Act.

That **no requirement for review by the DFRT** exists, as;

- (1) The employment category or the s.58H allowance in question is receiving an appropriate level of remuneration and is considered to be contemporary, or
 - (2) The changes proposed to the s.58H allowance or to the nature of work and/or sustainability of the employment category under consideration are not significantly sufficient to seek any alteration to the construct or level of prevailing remuneration.
- b. **Defer the matter for further review.** Such an outcome would be due to;
- (1) Insufficient information provided in the original Service submission. Such a recommendation would normally require the Service to provide a supplementary submission addressing shortcomings detected by the Committee and/or the Chairman, or
 - (2) The matter under consideration is inappropriate for a Committee recommendation.

Business rules

16. **Scheduled ECRRC meetings.** Meetings will be scheduled consistent with demand but normally no less regular than monthly. As a general rule, meetings are to be scheduled on the third Thursday of the month. Extraordinary meetings may be convened as required consistent with the changing priorities of a Service, the ADF or the DFRT. Urgent and/or simple matters may be considered by the Committee as “Out of Session” business items.

17. **Scheduling of general business matters.** Matters should be listed for general business at least one week prior to a scheduled meeting. Shorter timeframes may be acceptable, depending on the urgency of the matter.

18. **Agenda.** A meeting agenda is to be circulated by the ECRRC Secretary to all permanent members not less than three working days prior to the scheduled meeting.

19. **Format of submissions.** Written submissions outlining Service proposals listed as agenda items are to be provided to all participants in advance of the relevant meeting. The ECRRC submission is a formal, Service endorsed statement of the case that will form the core of the evidence to be presented to the DFRT in reports, hearings and inspections. Specific requirements are indicated below:

- a. **Employment category submissions seeking recommendation that the matter requires DFRT consideration.** Such submissions would normally be presented to the ECRRC in two stages. The **first** stage would occur in November with an indication by each Service regarding their intended DFRT category reviews for the following year. The **second** stage would require a detailed Service submission for each GOPS and GORPS category to be presented in the format provided at Annex A. This would normally occur in the first quarter of the year in which it is to be presented to the DFRT. Any subsequent submissions would be subject to ECRRC acceptance (or otherwise) of the second stage submission.

- b. **Employment category submissions seeking recommendation that the matter does not require DFRT consideration.** Submissions seeking ECRRC recommendation only need to provide sufficient information for the Committee to be satisfied it does not require DFRT action.
- c. **S.58H Allowance submissions seeking recommendation that the matter requires DFRT consideration.** Such submissions would follow the two staged approach described above for category reviews. The **first** pass would provide a dot point brief outlining the need to retain the allowance and the change/s proposed. The **second** pass would require a more detailed submission that addresses the history of the allowance, justification for change (including evidence where applicable) the nature of the change and proposed method of delivery (eg: annual rate, daily rate and/or tiering requirements)

20. **Presentations.** The initiating Committee member is responsible for arranging the delivery of any presentations on matters to be heard by the Committee.

21. **ECRRC minutes.** Minutes of each meeting are to be recorded and maintained by the ECRRC Secretary. The Secretary is also responsible for distribution of Minutes to committee members within two weeks following each meeting. Confirmation of previous minutes as a true and accurate record of proceedings is to be gained at each subsequent ECRRC meeting.

ANNEX A**GENERIC FRAMEWORK FOR EMPLOYMENT CATEGORY SUBMISSIONS****LAYOUT AND TOPIC HEADINGS**

The following pages summarise the layout of an Employment Category Review Submission. Remember *this is a guide NOT A TEMPLATE*. Only the Section Headings are fixed, the content will vary dramatically according to the complexity of the submission.

Proposition

1. *The ADF proposes to.....*
 - a. Concisely state what is proposed for the category and emphasize the pay points/skill levels where there is work value change. Ensure that it is simple, clear and concise. Even complex proposals should be able to be distilled to a few dot points. This section identifies the proposition, no justification is required.
 - b. The DFRT has expressed a preference for diagrammatic representation of the proposed salary movement/trade restructure.
 - c. The length of this section may vary from a single sentence to a number of paragraphs. In most cases, it should not exceed half a page plus diagrams.

Last Employment Category Review

2. *This category was last reviewed by the DFRT as Matter No. xx of xxxx.....*
 - a. A fairly brief synopsis of what occurred the last time the category was presented to the DFRT. Expand detail where relevant:
 - i. The date the proposal was last before the DFRT.
 - ii. The basis upon which the last proposal was advanced by the ADF.
 - iii. The outcome, what was or wasn't approved, based on the reasons for decision.
 - b. This section could also include details of any time the EC has been considered or reviewed internally by the Service without recourse to the DFRT being required.
 - c. If a new EC is proposed that has not grown out of an existing structure/capability, a single sentence should suffice.
 - d. The complete Industrial History of the employment category, date formed, major reviews, major capability changes, pay movements etc is to be included as an annex to the submission.
 - e. In order to facilitate this requirement, DMSA-P will provide the Service Case Officer with all of the relevant files for the employment category from the DMSA-

P Reference Library. This section could also include details of any time the EC has been considered or reviewed internally by the Service without recourse to the DFRT being required.

- f. The files provided by DMSA-P need to be condensed into a chronological précis of the entire Industrial History of the category. That document will be supplied as an annex to the DFRT submission. It is imperative that the Service Case Officer and the DMSA-P Case Officer become the Subject Matter Experts on the Industrial History of the employment category under consideration.
- g. The industrial history ENDS with the last submission to the DFRT. Any history of the category from the last determination becomes the basis for the current proposal, and is included at a later stage of the submission.

Recognised Role, Employment and Structure.

NOTE: This section refers to the role and structure as last presented to the DFRT. Anything that has occurred since the last DFRT hearing forms part of the justification for this submission

3. *This category is responsible for.....*

- a. Give a clear description of what the employment category actually did at the last time it was presented to the DFRT. Changes to the role since the last DFRT Determination form the basis of Part 4 of the submission.¹
- b. Briefly outline their role and how it fits within the ADF family construct and within the Service employment structure/force structure.
- c. Provide a Establishment vs Strength table. Provide information on the EC as a proportion of the parent Service/Corps/employment group/GORPS family (as appropriate).
- d. Conclude this section with the current remuneration structure as endorsed by the DFRT in previous Determination. If the structure is simple, a list will suffice. More complex structures should be illustrated diagrammatically. Determination XX/YY is as indicated below:

Justification for Change/Review

4. *Since the last DFRT Review this Employment Category has....*

- a. This section outlines what the drivers/imperatives are for change. This section will be both the most critical in establishing your case and the most difficult to generically define.
- b. What has changed since the last time the EC was presented to the DFRT? This includes but is no means limited to: technological advances, devolution of responsibility, doctrinal changes, changes to the external environment, structural

¹ Your MAE (Army) or OCCSPEC (Air Force) may or may not be useful in compiling this information. Some reflect the 'current' situation (the one we are attempting to achieve a PG movement for); some reflect the 'Last DFRT' position; most are at some 'interim' stage due to changes to training requirements etc. Updating of MAEs or OCCSPECs should be undertaken ASAP after DFRT Determination. Arranging this update should be viewed as part of the Service Case Officer's role.

changes (to the Service or the EC), significant net addition to the NATURE or VALUE of work or changes to the relative or capability value of the EC.

- c. The starting point should always be an exhaustive comparative analysis of the employment category at the time of the last DFRT review and the proposed structure and role. If the submission is WRT a new Employment Category, this section should discuss the imperatives that led to the creation of the category.
- d. As well as defining the nature of change since the last DFRT review, we are defining what the ADF values about this category and why we are paying for it.

Proposed structure

5. *The ADF proposes to.....*

- a. This section should contain the 'ADF Solution' to all the issues identified in the previous section. It should outline how the solution(s) will address the issues.
- b. This section will vary markedly in size depending on the complexity of the proposal.
- c. Where restructuring or new/additional skill grades are proposed, this section should outline the generic duties at each Skill Grade/rank (depending on structure), not just those Skill Grades that are gaining a pay movement.
- d. The proposed structure should include proposed pay group placement.

Implications

This section informs the DFRT of the 'who and what' of the case. It also addresses issues that will affect the implementation of the proposal once the Determination is signed. The sub-headings are by no means exhaustive.

6. In the event of a successful submission, the ADF must consider the following factors **BUT** not all may be applicable....

- a. **Who?** Explanation of where people have benefited and at what percentage/\$ amount/pay grade increase.
 - i. Which Skill Grades/Ranks have benefited and what percentage of the total workforce this represents.
 - ii. You need to advise where/which people are /will be disadvantaged; how, why, what are you doing about it?
 - iii. Also an explanation of what rank or skill grade they would expect to be and reason why that point is of particular value to the service. (May have been raised in Justification and Proposal sections, but should be reviewed here.)
- b. **Tri-Service/Single Service.** If this is a Tri-Service case, describe any difference in PG placement and/or skill grades. It should only be a summary. These issues should have been covered in-depth in the Justification and Proposal sections. Equivalency between the differing Service Skill Grades should be illustrated.

- c. **Reserves.** Effect of proposition on Reserves. Proposed placement and management of reserves in this category.
 - i. Primarily for Army, or where there is a different implementation timeline for Reserve members of the EC.
 - ii. Where Reserves will have differing PG placement, this will have been covered under Justification and Proposal sections. However a summary is useful here.
- d. **Criteria for Skill Grade Advancement.** This section is for the guidance of Career Managers and others responsible for determining Skill Grade/Pay Grade movement. It covers what the requirements are for movement between skill grades and hence pay grades. These criteria should be included in the Career Progression diagrams that will be included as annexes, but should be specifically dealt with here.
- e. **Transitional Guidelines.** This section should deal with specific transitional issues. It should cover areas such as ‘gap training’, retraining, Recognition of Prior Learning, Recognition of Current Competency, grandfathering provisions, sunset provisions.
 - i. Where retraining, gap training or supplementary training is required, proof should be provided that the training can be delivered to the workforce within the agreed timeframes. That is; do not set a 12 month window to train 200 members to the new standard when the maximum throughput of your training regime is 100 students pa.
 - ii. The section should address reversion issues, “What happens if the member does not complete the training requirements”.
 - iii. HQ FORCOMD require detailed submissions WRT the training requirements arising from any Employment Category Review. If there is a major change to the training requirements for the proposed structure, this information should be appended to the submission by all Services.
 - iv. Non-reduction provisions (NRP) requirements are to be detailed here.
 - v. Set out a series of Transitional Principles. Things like NRP.

7. Financial implications

- a. A table of gains and losses broken down by Skill grade and Rank, to enable the identification of total cost to the ADF.
- b. It should also include a 27.5% factor for superannuation costs (super costs are a sliding scale based on length of service, 27.5% is the maximum rate and hence represents the worst case scenario.)
- c. It should also include a statement as to whether the liability is funded or unfunded. Unfunded liabilities are WILL NOT to be sponsored by the ECRRC. Therefore the Service must fund the cost out of its own budget or seek (and gain) supplementary funding before the case is presented to the DFRT.

- d. **Ten year** forecasts are required. Simple calculations of 10 times the current annual cost will suffice. The Actuaries can work out costs that include forecast WRA increases etc.