

ADF REMUNERATION FRAMEWORK

1. The outcomes of the Australian Defence Force (ADF) Remuneration Reform Project have resulted in changes to the way in which proceedings have been conducted before the Defence Force Remuneration Tribunal (DFRT). The focus has shifted from the conduct of individual cases to one where there is, and will continue to be, a more enterprise wide approach that takes account of the internal relativities that exist in ADF employment. This in turn has facilitated more streamlined processes with the DFRT through a more global approach to the review of salary placements and the aggregation of like employment categories into family groupings.

2. Proceedings before the DFRT provide for a Defence Force Advocate and a person representing the Commonwealth to be present and to make submissions to the Tribunal. In the course of proceedings (section 58K(9) of the Defence Act 1903) the ADF and the Commonwealth will, in an appropriate and timely manner, seek to:

- (a) Jointly advance the resolution of matters relating to remuneration arrangements for members of the ADF in a manner consistent with the policies of the government relating to workplace relations, wages and defence.
- (b) Work collaboratively through early and ongoing engagement in a non adversarial and conciliatory manner to:
 - (i) improve practices and procedures related to the conduct of proceedings before the DFRT to facilitate flexible and adaptive responses to ADF remuneration;
 - (ii) develop ADF remuneration policies; and
 - (iii) review ADF pay structures, salary related allowances and remuneration arrangements.

3. The ADF acknowledges the need to communicate and consult with ADF Members seeking their contribution to matters relating to remuneration arrangements and providing feedback on that contribution. It is noted that in the ADF the chain of command is the primary mechanism for consultation and that where appropriate the ADF will consult Service related organisations who have an interest or involvement in remuneration arrangements for serving ADF Members.

4. The right of the parties to refer a matter to the DFRT pursuant to section 58H(3) of the Defence Act is not limited by the operation of this framework.

5. The ADF and the Commonwealth agree to apply the following framework in order to promote effective workplace relations and remuneration arrangements in the ADF:

- (a) be consistent with the Government's workplace relations and wages policies and the Government's policies in relation to Defence, in particular by:
 - (i) maintaining effective consultative processes between the Chief of the Defence Force and members through the chain of command;
 - (ii) linking improvements in pay with ADF productivity and/or efficiency gains noting that concepts of ADF productivity include the capacity of the ADF to meet defined military capability requirements; and
 - (iii) ensuring that, other than in exceptional circumstances, pay increases are to apply prospectively.
- (b) Support the Government's Defence objectives, including:
 - (i) the effective implementation of the Defence White Paper; and
 - (ii) the capacity of the ADF to meet defined military capability requirements.
- (c) Be funded from within Defence appropriations.

6. The parties note that the ongoing application of the ADF Workplace Remuneration Arrangement (WRA) is a mechanism by which the ADF may manage and review pay structures, salary related allowances and remuneration arrangements from time to time. The WRA is to be subject to the consent of the Chief of the Defence Force and consultation with the Australian Public Service Commission before the proposed WRA is submitted to the DFRT for approval as an agreed matter under section 58KD of the *Defence Act 1903*.