

CDF BRIEF – AUG 2006

REMUNERATION REFORM PROJECT

ISSUE: What progress has been made on remuneration reform in the ADF?

TALKING POINTS

- Following the Nunn review of ADF remuneration in 2001, Defence initiated the Remuneration Reform Project.
- The Remuneration Reform Project was approved by COSC in mid 2002. It proposed a phased approach to develop a banded pay structure for Officers and Other Ranks, taking account of the risk and cost of such revisions to Defence.
 - **Phase One** quantified the qualification and skill and disability components of the major environmental allowances (Flying Allowance, Submarine Service Allowance, Special Action Forces Allowance, and Special Operations Allowance). This phase concluded in mid-2003.
 - **Phase Two** made the qualification and skill elements of the major environmental allowances superannuable, in recognition that they are paid for work which is a regular feature of their employment. The qualification and skill elements became superannuable in August 2004.
 - **Phase Three** developed a flexible (graded) pay structure for Officers and Warrant Officers Class One (equivalent) that will be implemented on 5 October 2006.
 - Phase 3 also includes the creation of a broad banded structure for O7-O8 officers that will be implemented in October 2006.
 - **Phase Four** has commenced to develop a new pay structure for Other Ranks within the Remuneration Reform Project structure. The ADF and Department of Employment and Workplace Relations have worked collaboratively on Phase 4 in order to address complex remuneration issues. The first submission is to be presented to the Defence Force Remuneration Tribunal in Dec 06.

- **Further Reform.** RRP Phases 3 and 4 have identified the requirement for RRP to go beyond the reform achieved by rolling in the major qualification and skill allowances into salary. The ADF is assessing the potential for RRP to deliver further strategic reform of remuneration and assist with ADF retention concerns.

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ADF AND COMMONWEALTH JOINT SUBMISSION

REMUNERATION REFORM PROJECT PHASE 4

OTHERS RANKS PAY STRUCTURE

Matter 2 of 2003

5 December 2006



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EXECUTIVE SUMMARY

On 27 February 2006 the Tribunal stated in its Reasons for Decision regarding the Remuneration Reform Project Phase 3 that "work must now progress, as a matter of urgency, to complete a pay structure for the Other Ranks which also includes the Qualification and Skill elements of allowances". Enclosed is a joint ADF and Commonwealth submission that responds to the DFRT direction and follows on from the conference held with the Tribunal regarding RRP Phase 4 on 21 September 2006.

This submission seeks to create a 16 Pay Group structure for Other Ranks to allow the transparent incorporation of the Qualification and Skill elements of allowances. This submission also identifies the structural problem of compression and incursion of remuneration between the OR and WO1(E) structures.

The RRP Phase 4 model enclosed has been approved by the Defence People Committee and endorsed by the Chief of Services Committee.

PART 1 – INDUSTRIAL HISTORY

Background

1.1 Phase 4 of the Remuneration Reform Project (RRP) was developed with regard to the industrial history of pay setting in the ADF and in particular Other Ranks (OR) pay.

1.2 The OR remuneration structure forms the basis under which all sailors, soldiers and airmen are paid salary. The system is a two-dimensional structure in which personnel are remunerated according to both their seniority within rank, and the work value of their employment category. Separate to the structure are a number of qualification and skill (Q&S) allowances that are paid in addition to salary. These include Flying, Submarine Service, Special Action Forces and Special Operations Allowances.

1.3 RRP Phase 4 details the ADF and Commonwealth joint proposal to roll-in Q&S elements of allowances into pay in accordance with recent reform made under RRP Phase 3. In order to understand the complexities associated with RRP Phase 4, the following information is provided as a short synopsis of Other Ranks pay setting arrangements and details the current OR pay structure.

INDUSTRIAL HISTORY

1.4 The OR remuneration structure has existed in a similar form since it was established by the Allison Committee in 1972. Since that time it has been amended and enhanced as a result of successive reviews. The current structure has been in place since the 1995 Pay Structure Review. Up to now this remuneration structure has served the ADF well. It has provided flexibility for recognition of differing work value levels throughout the OR employment structure, maintained a balance of internal relativity across the structure, and conformed to the principle of organisational worth in relation to the relative placement of employment categories within the structure.

Pay Structure Review 1995

1.5 The last substantial changes to the OR pay structure occurred in the Pay Structure Review 1995 (PSR). The PSR was initiated by the Chief of the Defence Force in 1991 and heard by the DFRT between 1991 and 1995. Pay Levels 1 and 2 were merged as there were few employment categories at these levels and only a small number of members on Pay Level

1. Pay Levels 1-7 were replaced with Pay Groups 1-7.

1.6 In PSR 95, Pay Group margins between Pay Groups were expressed as a percentage change from Pay Group 3, with Pay Group 3 representing the base Pay Group. The percentage margins established progressively decreased at each rank level through to a common scale at the WO1(E) level. This reflected the increasing use of managerial skills rather than trade skills by members at the upper ranks. This principle was applied by the Committee of Inquiry into Financial Terms and Conditions of Service for Male and Female Members of the Regular Armed Forces (COI) (1970-1972) and the Committee of Reference (COR) (1972-1982). The COR later determined (1981) that this was no longer appropriate as members at the SGT(E) and WO2(E) rank were exercising both managerial and trade skills and as such differential pay was expanded up to WO2(E).

1.7 The PSR also introduced a work value based Definitional Framework. The purpose of the framework was to define the work value associated with the Pay Groups in the structure and the benchmarks that exemplified this framework. This provided a justification for the placement of employment categories in the structure. The current Definitional Framework is described in further detail in Part 7 of this Submission.

Internal ADF Reviews

1.8 Recent ADF reviews have indicated that the current OR remuneration structure is approaching the limit of its utility to the ADF. Specifically, the Review of Other Ranks Remuneration 2005 (RORR) recognised that there has been a general increase in the level of trade skills utilised within employment categories. The review recognised that it is inevitable that the structure will soon demand a means of paying rates higher than is currently provided by Pay Group 7. In 2005 an ADF working group into the provision of differential pay for WO1(E) also acknowledged that the OR remuneration structure had become limited in its ability to recognise differences in the employment of WO1(E) personnel.

1.9 Since 1995 the median Pay Group for OR personnel has changed from Pay Group 3 to 4. This upskilling trend has also pushed the boundary of the available remuneration system; in 1995 there were three employment categories with access to Pay Group 7, whereas currently there are 14.

CURRENT OR REMUNERATION STRUCTURE

1.10 The current OR remuneration structure consists of a seven Pay Group graded structure which accommodates some 240 separate trade groups (employment categories), consisting of

some 35,000 permanent OR personnel. There are currently seven broadbanded pay groups that provide recognition of work value, ranging as indicated:

- a. Pay Group 1, unskilled apart from completion of recruit course;
- b. Pay Group 2, semi-skilled;
- c. Pay Group 3, qualified in a non-technical trade;
- d. Pay Group 4, advanced qualification in a non-technical trade;
- e. Pay Group 5, qualified in a technical trade;
- f. Pay Group 6, advanced qualification in a technical trade; and
- g. Pay Group 7, systems technician or para-professional.

1.11 The OR remuneration structure is anchored at the industrial benchmark of PTE(E), Pay Group 3. This represents the point at which the majority of ADF personnel first become qualified in a trade. All other pay rates at each rank, Pay Group and increment can be derived as a percentage increase or decrease from this point. A diagram indicating this relationship is at Annex B.

1.12 Categories are allocated to Pay Groups by the DFRT according to the extent to which they satisfy the criteria contained within the Definitional Framework. The framework assesses the trade-based element of work value under the criteria of qualifications, range of skills, depth of knowledge, range of actions and complexity of actions. The current management of ORs and the Definitional Framework is at Annex A. Personnel within a particular category may move from their initial allocated Pay Group, to other higher Pay Groups as their career progresses and levels of trade skill increase.

1.13 The margins between Pay Groups are consistent at each rank level but reduce with each increase in rank to recognise that as a member is promoted, their rank skills become more prevalent whereas the trade skills become less. The margins at each rank are based on percentage point differences from Pay Group 3. For example, at the PTE (E) level, Pay Group margins were established at 5% around Pay Group 3 (considered the benchmark trades level). For example, Pay Group 2 was 95% of the salary rate for Pay Group 3 while Pay Group 5 was 110% of this salary rate.

1.14 The current margins were established in PSR 1995. The precise margins that exist in the current salary rates of the structure actually differ from this due to rounding over time with each wage increase provided under successive Workplace Remuneration Arrangements (WRA) (and its predecessors). Percentage salary increases applied to all pay points of the matrix would not otherwise alter the established percentage-based margins.

1.15 The current permanent population of the OR pay structure is detailed in Table B3 of Annex B). Note that the higher a member's rank the more likely they are to be in the higher pay groups. The median pay group for PTE(E) is Pay Group 2 whereas it is Pay Group 5 for WO2(E).

1.16 In addition to the salary structure there are a number of salary-related allowances set by the DFRT under s.58H of the *Defence Act 1903*. Included within the Flying, Submarine Service, Special Action Forces and Specialist Operations Allowances are specific amounts to recognise the application of specific qualifications and skills. These Q&S elements are paid on a continuous basis and vary from \$1,830 to \$18,301 per annum. The Q&S elements of a number of allowances involve a number of tiers to recognise progression in qualifications and skills and to distinguish between different roles. The interaction of these Q&S elements with the OR remuneration structure is complex because they are paid across a variety of ranks and Pay Groups. Table C1 and Chart C1 of Annex C reveal the number of members currently receiving Q&S elements disaggregated by rank and Pay Group.

RECENT REFORM

The Remuneration Reform Project Phases 1 - 3

1.17 The Remuneration Reform Project (RRP) was established as a result of recommendations made by the Nunn Review in 2001. In particular this review noted that "qualification and skills used on a regular basis throughout a member's career be compensated through inclusion in superannuable salary"¹. RRP Phases 1-3 proceeded on the basis of firstly making the major Q&S elements of allowances superannuable, and secondly incorporating the Q&S elements of these allowances into a graded pay structure for officers. Phase 3 was extended to include WO1(E) in 2005. The graded pay structures for officers (O1-O6) and WO1(E) were approved by the DFRT on 27 Feb 06. Phase 3 was introduced on 5 Oct 06. Work is continuing on the placement of ADF officers in the new structure in accordance with the draft DFRT program.

¹ Review of Australian Defence Force Remuneration – Nunn Review 2001 P.43

PART 2 – REQUIREMENT FOR RRP PHASE 4 / KEY CONSIDERATIONS

Requirement for RRP Phase 4

2.1 In the development of RRP Phase 3 it was evident that RRP Phase 4 would be required to ensure that Q&S elements of allowances could be rolled into OR salary in a consistent manner to both officer and WO1(E) pay. The Tribunal noted in its Reasons for Decision regarding RRP Phase 3 that:

“Work must now progress, as a matter of urgency, to complete a pay structure for the Other Ranks which also includes the Qualification and Skill elements of allowances. No to do so would cause an anomalous situation when a s.58H allowance is reviewed.”

2.2 In response to the guidance provided by the Tribunal both the ADF and Commonwealth allocated resources to meet the DFRT’s requirements of reviewing OR pay by the third quarter of 2006. The ADF and Commonwealth also embraced the requirement to roll-in Q&S elements of allowances as an opportunity to address limitations of the current structure by conducting more fundamental remuneration reform.

Joint Project Team

2.3 In order to expedite RRP Phase 4, a Project Team consisting of staff from the Directorate of Military Salaries and Allowances - Policy, the Department of Employment and Workplace Relations, and Livingstones Australia (an external industrial relations and human resources consultancy) was established in May 06. The Project Team was tasked with researching and developing options for a new OR remuneration structure that absorbed the Q&S elements of allowances in a manner consistent with the graded structures introduced for officers and WO1(E) under Phase 3. The Terms of Reference for the Project Team are detailed in Annex D.

2.4 In order to ensure that the single Service perspectives on changes to the structure were obtained, a Working Group comprising representatives of the three Services and the Project Team was formed.

Limitations of Current OR Structure

2.5 Although the roll-in of Q&S allowances for ORs would eliminate the anomaly between officers and ORs, the current OR pay structure has a number of limitations that need to be addressed as part of the reform process.

2.6 The current OR pay structure cannot absorb allowances without significantly undermining the industrial basis for work value differentials across the existing OR trades. The simple 'roll-in' of allowances in a manner similar to the graded officers pay structure requires the creation of between 90 to 100 Pay Groups (thereby ensuring cost neutrality and no disadvantage to any member). Such a large number of Pay Groups is untenable from both an administrative and industrial perspective. It would be difficult, if not impossible, for the ADF to run OR employment category cases to the DFRT in such an environment.

2.7 The current OR pay structure also limits the placement of employment groups as it cannot take into account other considerations such as Q&S elements of allowances and attraction and retention. The current Definitional Framework is too restrictive in regards to the assessment of work value. Within the OR pay structure, there is an inconsistent approach to remuneration for significant changes in work value at different rank levels. This is due to the fact that differentials decrease with rank. For example a WO2(E) is rewarded \$844 for Pay Group (PG) movement from PG 4 to PG 5 compared to a PTE(E) who is rewarded \$1895. Although this compression is an intended outcome of PSR 95, the significance of this compression has been increased overtime due to the movement of employment categories over the past decade.

2.8 Notwithstanding the many limitations of the current OR structure, it also has a number of strengths. These include:

- a. the relativities between employment categories across the pay groups are widely considered to be fair and appropriate under the guide of the 'definitional framework' and 'benchmark categories',
- b. OR members are rewarded for their rank (ie, managerial) skills as well as trade skills, and
- c. the ADF workforce culturally accepts the basis for differentiation under the current structure.

KEY CONSIDERATIONS

2.9 The Joint Project Team considered a number of competing interests in developing a new OR's pay structure. These included:

- a. the need to create significant differentials between Pay Groups to reward significant changes in work value,
- b. the requirement to minimise rounding up of allowances (the greater the differential the more the rounding),
- c. the desire to minimise use of transitional pay points,
- d. the desire to ensure there is no detriment to any members, and
- e. the desire to ensure relativities between all employment groups are not significantly changed.

DFA RRP Phase 4 – Explanatory Notes

Para 3.2

Why not percentage differentials?

- The joint project team modeled a number of percentage differentials however these models proved problematic due:
 - o Excessive cost
 - o Significant incursion into the WO1(E) and officers structures
 - o The inability to provide a consistent methodology to the incorporation of Q&S allowances

Why \$2,000 differentials?

- derived from a model that had 3% differentials at WO2(E) level and 5% at the PTE(E) level
- represented an amount that could allow banding of Q&S elements of allowances and apply a consistent and transparent outcome to all members in receipt of allowances

Impact of base pay inquiry?

- This is a structural submission, base pay inquiry outcomes can be incorporated into this structure if required
- This structure provides the means to pay differential pay based on work value, it does not test the basis for the pay points, this is subject to base pay inquiry

PART 3 – RRP PHASE 4 PROPOSITION

RRP Phase 4 Proposition

3.1 The changing nature of OR employment and the need for the transparent roll-in of the Q&S elements of allowances has led to the development of a joint proposition by the ADF and Commonwealth for a 16 Pay Group structure.

Characteristics of Proposal

3.2 This proposal seeks to expand the current 7 Pay Group structure to 16 Pay Groups to allow the incorporation of specified Q&S elements of allowances. Under this structure consistent differentials are applied from Pay Group 3 onwards (changes salary points from Pay Group 4 onwards) to allow the incorporation of Q&S elements of allowances that are banded into \$2084 bands. The \$2,084 differential reflects the 16 November 2006 WRA increase to the original development model that proposed \$2,000 differentials. Under this structure Pay Group 3 continues to be used as the “base” rate for a PTE(E) from the OR Pay Structure Review completed in 1995. Table E1 at Annex E illustrates the new salary structure under this option. Chart E1 is a graphical representation of Pay Groups by rank. The main characteristics are as follows:

- a. differentials of \$2084 are established between all Pay Groups at all rank levels from Pay Group 3;
- b. Pay Groups 1, 2 and 3 maintain their current salary rates (populating the differentials to the left of Pay Group 3 would cause detriment to current members in Pay Groups 1 and 2, while starting the differential from Pay Group 1 would increase the incursion into the WO1(E) and officers pay structures);
- c. Q&S elements of allowances are banded into multiples of \$2,084, the band would then determine placement in the new structure by specifying the number of Pay Groups the member advances (refer to Table E2 of Annex E); and
- d. OR members in Pay Groups 4-7 not receiving Q&S elements of allowances would also receive an increase in their salary i.e. differential would increase by a small amount at the lower ranks (from \$1894 to \$2084), but increase by a larger amount (from around \$ 850 to \$2084) at the higher ranks.

Benefits of the Joint Proposal

3.3 The joint proposal to transition to a 16 Pay Group structure allows for the consistent treatment of those in receipt of Q&S elements of allowances in terms of the number of Pay Groups they advance, transition is also transparent and easy to understand.

3.4 The application of increasing the differentials between Pay Groups also ensures that significant changes in work value are rewarded at all rank levels. This overcomes a limitation of the current structure where differentials between Pay Groups significantly reduce with rank, causing compression of the structure.

3.5 In light of considerations made by the joint project team the new 16 Pay Group structure ensures all OR members not in receipt of Q&S allowances retain their current Pay Group, and in doing so maintain the basis for their differentiation.

3.6 The new structure is also consistent with the graded structures for O1-O6 officers and WO1(E) because differentials are represented by dollar amounts rather than the application of percentage based differentials.

Effect on Current Salary Rates

3.7 To facilitate the fair and transparent roll-in of Q&S elements of allowances the \$2,084 differential is applied across the pay structure from Pay Group 3. The adjustment to pay points from Pay Group 4 results in improved remuneration for the more highly skilled OR's, and in particular the Senior Non-Commissioned officers in the higher Pay Groups. There is a correlation between these employment groups and the current employment groups that are experiencing retention concerns. It is therefore anticipated that the adjustment to the current pay points will have a positive effect on attracting and retaining highly skilled personnel to the ADF by rewarding increases in work value across the entire OR pay structure.

Roll-in of Allowances

3.8 The ADF proposal incorporates the Q&S elements of allowances in a consistent manner with the graded officers pay structure and applies a consistent methodology in regards to the rounding up of the various Q&S elements of allowances. The rounding up of allowances and method of incorporation into the 16 Pay Group structure is detailed in Table E2 of Annex E.

3.9 As an example, to allow the incorporation of a member on Submarine Service Allowance into the new structure, the member will be moved an additional 5 Pay Groups in accordance with Table E2 in Annex E. The consistent methodology applied to the number of

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Para 3.10

Reason for so many employment categories (Annex F)?

- It is what it is, it only reflects what currently exists
- It would be expected that overtime employment categories may be further consolidated and simplified

Why not move directly to 8 Pay Groups?

16 Pay Group structure is transparent and can be communicated to ADF members as the treatment of Q&S elements of allowances is consistent

ADF needs to fully consider implications of 16 Pay Group structure

- how and under what conditions will the pay groups be condensed
- how will this be communicated to ADF members
- what impact, if any, will the base inquiry have

These issues expected to be explored over the next 12 months

Pay Groups a member on a Q&S element of an allowance moves allows for a fair and equitable treatment of members on allowances.

3.10 The requirement to move members on allowances to new Pay Groups results in the Sub-categorisation of current employment categories. This ensures that members in receipt of allowances are placed in the appropriate Pay Group on transition and into the future. As an example, a cook who is in receipt of Submarine Service Allowance will now be categorised as a: Cook – Submariner. Details of this Sub-categorisation can be found in the attached draft Determination at Annex F (note this draft Determination reflects the 2.8% WRA increase that takes effect on 9 Aug 07).

Clearance through ADF Committee System

3.11 The ADF proposal presented in this submission was approved by the Defence People Committee (DPC) on 6 Sep 06. The broad proposition as approved by the DPC was presented in conference to the Tribunal on 21 Sep 06. In noting the Tribunal's in principle support for the methodology adopted by the ADF and Commonwealth, the proposition was endorsed by the Chief of Service Committee on 27 Oct 06. Defence has sought additional funding from government to support the additional costs required to implement the proposed new pay structure.

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PART 4 – STRUCTURAL NECESSITY TO PLACE WO1(E)

Structural Problem

4.1 The ADF and Commonwealth have identified a structural problem at the WO1(E) level associated with establishing the 16 Pay Group structure for ORs. As a consequence of establishing the 16 Pay Group structure the differentials at the WO2(E) level cause increased compression and incursion of remuneration between the OR's and WO1(E) structure.

Compression was already a concern under the old structure where a WO2(E) on promotion to WO1(E) from Pay Group 7 only received \$973. As a consequence of RRP Phase 4 the same member will, on promotion to WO2(E), move to a Pay Grade that is some \$3,989 less due to making the transition from Pay Group 7 in the ORs structure to Pay Grade 2 in the WO1(E) structure.

4.2 The ADF and Commonwealth believe this outcome is structurally unsound. In order to address pay compression and incursion between the ORs and WO1(E) structure the ADF will be seeking to place WO1(E) employment categories in the first half of 2007 after conducting a full assessment of WO1(E) employment. The ADF and Commonwealth submit that the placement of WO1(E) in a timely manner will address the structural problem that has been identified. In this regard the ADF and Commonwealth believe that this problem does not unduly impact on the RRP Phase 4 proposal.

PART 5 – REMUNERATION ENDSTATE - RRP PHASE 4

Structural Endstate

5.1 RRP Phase 4 will establish a \$2,084 differential between Pay Groups for ORs, this differential represents over a 5% differential at the PTE(E) level and around a 3% differential at the WO2(E) level. This is a significant improvement to the current WO2(E) differential which is currently 1.5% between Pay Groups. By increasing the differential at the higher rank levels the proposed new structure overcomes the compression problems associated with the current pay structure.

5.2 At the completion of the transition to the 16 Pay Group structure approximately 95% of OR's will remain in their current Pay Group, with the remaining 5% moving to higher Pay Groups due to the roll-in of the Q&S elements of allowances.

Consideration of Future Reform

5.3 In the development of RRP Phase 4 both the ADF and Commonwealth have been cognisant of the need to consider the impact / prospect for future reform to ADF pay structures. This consideration has led to the development of a further option to consolidate the proposed 16 Pay Group OR structure to 8 Pay Groups. This would further align the OR's structure with the WO1(E) structure by applying a similar differential across all pay structures. Although this future step has been considered, and the RRP Phase 4 structure facilitates this outcome, the ADF has not yet fully explored the consequences of the consolidation. There are however, significant implementation / transitional issues associated with consolidating the structure by either rounding every second employment category up or re-examining / re-benchmarking all employment categories. Due to the potential impact of this consolidation the ADF does not wish to advance this option until it can be considered in full. The ADF will further develop and test this option which may include the consideration of the validity of present pay points over the next 12 months, and, if deemed appropriate, bring a further submission to the Tribunal.

PART 6 – IMPLEMENTATION OF RRP PHASE 4

6.1 Implementation of RRP will be a multi-faceted undertaking that will impact on and/or require preparatory work in each of the following broad areas:

- a. information systems and related processes, in particular the re-programming requirement on ADF pay systems;
- b. personnel and career management processes; and
- c. information dissemination and general ADF awareness.

6.2 The information in this Part of the submission informs the Tribunal as to the nature of work and the approximate timelines required to achieve implementation of RRP Phase 4. The submission seeks from the Tribunal a decision that approves the joint proposal through the signature of the attached Determination at Annex F. This Determination is dated to take effect on the 9 Aug 07, in line with the next WRA salary adjustment to assist with both the communication of the changes and reduce administrative overheads. This implementation timeframe allows for the following to occur prior to 9 Aug 07:

- a. **Systems Integration.** This includes the programming, testing and training of Defence staff in the operation of RRP Phase 4 and its interface with PMKeys, ADF Pay, and CENRESPAY. This has been identified as a particularly large task due to the scope and impact of RRP Phase 4. This task will consume approximately 6 months of work after the Tribunal agrees to implement the 16 Pay Group structure.
- b. **Personnel and Career Management Preparedness.** ADF Pay systems rely on accurate data from HRM systems such as PMKeys. PMKeys data is managed by various organisations in Defence and these organisations will need to be able to effectively manage personnel in the post-RRP Phase 4 environment. A requirement therefore exists to establish new procedures and conduct training for personnel involved in career management and the day to day operation of ADF pay systems. This training will not commence until early 2007 once the posting turbulence associated with end of year postings has subsided and new staff are trained and familiar with their new appointments and duties.
- c. **Information Dissemination.** Involves the dissemination of the DFRT decision and the introduction of the new OR's pay structure to the ADF

community. This needs to be conducted on several levels involving the three Services as the major stakeholder groups.

6.3 The ADF has developed a Communications Strategy for the implementation of RRP Phase 4. Whilst the need to inform ADF members about RRP Phase 4 will not of itself create any delays in implementation, it is the ADF's intent to effect information dissemination in accordance with the planned roll out of RRP Phase 4.

6.4 Implementation activities are planned to complement the decision to agree and implement RRP Phase 4. The type and nature of activities will be:

- a. DFRT decision communicated to ADF members via CDF signal (immediately following DFRT decision),
- b. Feb – Sep 07 - fortnightly implementation meetings co-ordinated by DMSA-P,
- c. Feb – Mar 07 – ADF / Commonwealth to establish pay setting principles for new pay structure,
- d. Mar – Jun 07 - conduct of specific-to-Service briefings conducted by Service representatives supported by DMSA-P staff, and
- e. 9 Aug 07 – 16 Pay Group structure introduced into ADF pay system.

PART 7: FUTURE MANAGEMENT OF OTHER RANKS SALARY MATTERS

Current Definitional Framework and Management

7.1 In order to facilitate the management of OR employment categories the ADF established a Definitional Framework to support PSR 95. This framework defines work through the three dimensions of Pay Group, Rank and Military skills. The Definitional Framework is the primary reference used to decide the value of ADF work on a differential basis.

Military Skills

7.2 The military skills definition applies equally to all trained members and reflects the minimum military skills training common to the three Services. Single Service requirements are not included in the definition. As this is a common factor, it is not used to discriminate between work categories, and has only been included in the Framework for completeness.

Rank Skills

7.3 Rank definitions are provided for every rank. They comprehend the common all Service requirements for each rank and reflect the expectations placed on a member by virtue of their rank, regardless of Category, ECN or muster. All members of a rank group share a common rank definition.

Pay Group Definitions

7.4 Under the current Definitional Framework placement within the 7 Pay Groups is governed by the following criteria:

- a. Qualifications and training,
- b. Range of skills,
- c. Depth of knowledge,
- d. Range of actions, and
- e. Complexity of actions.

Benchmark Categories

7.5 To assist in positioning of categories within the Definitional Framework benchmark categories have been developed as a guide to the typical work level standards in each Pay Group. The benchmark categories allow the ADF and DFRT to conduct a broad relativity check before considering the placement of employment categories within the current Definitional Framework.

Management Process – Development of DFRT Submissions

7.6 The ADF currently applies a robust and transparent process in regards to the development and submission of industrial cases to the DFRT. This process is outlined in detail in Annex A. A key component of this process is the application of the Employment Category Review Committee (ECRC) as the principal advisory committee within the ADF. The ECRC advises the three Services and makes recommendations as to the industrial merit of proposed employment category placement and reviews.

Future Management of Other Ranks Salary Cases

7.7 The transition of the ORs pay structure to 16 Pay Groups and the recent industrial matters concerning officer employment categories requires the ADF to re-examine the applicability of the Definitional Framework. Although this framework has provided the ADF, Commonwealth and the DFRT with a sound base for consideration of Other Ranks industrial matters, there is a requirement to recast the work value environment on which industrial matters will be examined in the future.

7.8 Although the ADF and Commonwealth have not fully explored the context of this new environment it is clear that a more flexible and enduring framework will be required. Such a framework will be governed by principles rather than strict definition. In light of this requirement the ADF will have regard to the current principles governed under the Definitional Framework, but also take account of the new placement criteria being identified and tested under RRP Phase 3 and emerging considerations such as sustainability.

Changing Industrial Environment

7.9 Due to the emergence of a new industrial environment under RRP Phases 3 and 4 it would be premature of the ADF and Commonwealth to offer the Tribunal a clearly defined framework in line with the current Definitional Framework. Instead the ADF and Commonwealth intend to develop a number of principles that will govern the work value framework in which OR industrial matters should be considered. These principles will draw on the current Definitional Framework and considerations made as part of the placement of officer employment categories. The ADF and Commonwealth intend to jointly develop these principles by the first quarter of 2007 and have them tendered to the Tribunal as Annex H of this submission. The ADF and Commonwealth will then be seeking DFRT endorsement of Annex G in the context of DFRT's decision regarding RRP Phase 4. In light of the development of the new placement principles there may be a requirement to review any

employment category anomalies that exist in conjunction with the development of Annex H, and if appropriate address them as part of a joint submission.

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Annex A to
RRP Phase 4
5 Dec 06

DEFENCE PERSONNEL EXECUTIVE



Australian Government

Department of Defence

Defence Personnel
Executive

OTHER RANKS' PAY PLACEMENT GUIDE

2006 REVISION

AIM

1. The aim of this guide is to assist Service personnel who manage Other Ranks' (OR) employment categories (category sponsor) in the preparation of effective pay group review submissions.

STRUCTURE

2. The guide provides necessary background information concerning the industrial principles which the Australian Defence Force (ADF) must satisfy in order to successfully conduct a review of a category's pay group placement and it explains the processes involved in reviewing a category.
3. The *Other Ranks' Definitional Framework* also plays an important role in the management of the pay structure. This guide complements the *Other Ranks' Definitional Framework* and provides a simplified checklist for the preparation of submissions and cases.

ADF OTHER RANKS' PAY SYSTEM

4. The ADF Other Ranks' (OR) pay group system is a complex structure involving over 200 separate jobs distributed across seven pay groups. Within the structure, the duties, skills and responsibilities of any job (employment category) do not remain static. Change occurs, for example, as a result of the introduction of new procedures, training requirements, redistribution of duties, restructuring, or changes in technology.
5. Change in the nature of work often generates a perception that an increase in pay level is warranted. Often this is the case, however, in many instances, the nature of the change is such that it does not satisfy the criteria which justify pay group movement.
6. Two guiding principles govern the placement of OR employment categories within the pay structure. The first is "work value" which means that all ADF personnel should be paid at a rate which is justified by the skill, responsibility and working environment associated with the job. The second principle is "equity" which, in the ADF, means that categories of same or similar work value receive the same level of pay.
7. Employment category placement is decided by the Defence Force Remuneration Tribunal (DFRT) using the concept of work value against the *Other Ranks' Definitional Framework*. The *Other Ranks' Definitional Framework* recognises that the range of skills required to determine a pay group will depend on a range of factors (qualifications, range of skills, depth of knowledge, range of actions and complexity of actions) which will be explained later in the guide.

REVIEW OF PAY GROUP PLACEMENT

8. Review of the placement of an employment category can be initiated by the sponsoring Service, the Department of Employment and Workplace Relations (DEWR) or the DFRT. A category will be reviewed when:
 - a. the DFRT determines that a review should be conducted;

- b. a new category is created;
- c. an existing category has undergone significant change or has been amalgamated with another category;
- d. the category sponsor, in conjunction with the Service, considers that opportunities exist to rationalise the category or believe that the category may be incorrectly placed; or
- e. an anomaly or inequity is believed to exist in relation to other categories within the Service or similar categories in the other Services.

THE REVIEW PROCESS

9. If the Trade Sponsor considers that the trade has undergone significant change since it was last reviewed by the DFRT or equivalent, the first point of contact is the relevant Service industrial area (i.e. DGNPT, DGPERS-A or DGPERS-AF).

10. Once the requirement for a review is identified by the sponsor and support from the relevant Service is obtained, they prepare a submission to the Employment Category Review Committee (ECRC) (see below and annexes B and C) which reflects the endorsed proposal. Each Service has different requirements, which can be advised by the area concerned to the Service representative who will incorporate it into the submission.

ROLE OF THE EMPLOYMENT CATEGORY REVIEW COMMITTEE (ECRC)

11. The ECRC is the principal advisory committee to the ADF on matters relating to the remuneration of employment categories. It advises and makes recommendations as to whether personnel employed within employment categories receive a level of remuneration that is consistent with their required levels of skill. A matter will not normally be scheduled with the DFRT unless ECRC recommendation has been obtained a minimum of one month before a scheduled DFRT Programming Conference. The ECRC convenes on a fortnightly basis and comprises representatives from the three Services and the Director of Military Salary and Allowances – Policy staff. Further information on the ECRC is detailed in the ECRC Charter at annex A.

12. Once the submission gains the approval of the parent Service, the Service will bring the submission forward for ECRC consideration. Normally this will entail the sponsor presenting the submission in the presence of the parent Service representative. The ECRC undertakes an initial assessment of the case based on the presented submission, in order to assess the merits of pursuing the matter further. The ECRC can make a number of recommendations. It can recommend:

- a. the changes do not require DFRT consideration, which means that the Service can implement the changes with no requirement to present the case to the DFRT;
- b. the matter requires consideration by the DFRT, which means the case follows the process outlined at Paragraph 49 of this guide; or
- c. no recommendation if the submission does not contain sufficient information.

ROLE OF DFRT

13. The DFRT's statutory role is "...to inquire into and determine the salaries and relevant allowances to be paid..." to ADF members and to deal with such other prescribed matters as may be referred.

14. The DFRT determines salaries on sound industrial principles, including the assessed work value of employment in the ADF.

FORMAT OF SUBMISSIONS TO THE ECRC

15. Sponsors preparing submissions to the ECRC should be aware that not all factors contained in the guide will be relevant to their submission. Nor will the format suit all cases. Submission preparation should be coordinated with the relevant Service industrial area.

Emphasis

16. Submissions will require different information, depending on the purpose of the submission. For example, a submission seeking a pay group allocation for a new or amalgamated category will require greater emphasis to be placed on the overall role and detailed duties of the job. A submission seeking a different pay group allocation for an existing category should emphasise what has changed since the last review.

Who and what is assessed

17. When preparing a submission, the work value assessment should be conducted in relation to a fully qualified member working at a minimum standard of professional competence that would be acceptable for each grade within the employment category. This normally means reviewing personnel at the minimum rank level for each grade of the category under review. Minimum rank levels need not be Private Equivalent (PTE(E)), as a number of grades within categories have minimum ranks above PTE(E).

Highest duty regularly performed

18. When preparing a submission, the duties that go to make up a category's employment should be rated using the work value characteristics detailed at paragraph 23. As a general rule, duties should be identified as a grouping of activities that make up a task, rather than as a range of minor manipulative, clerical or mental functions.

19. Because of the spread of duties that make up the work conducted by any employment category, industrial tribunals have usually adopted the principle of "the highest duty regularly performed" as the primary basis of assessment. Selection of the duty which constitutes the highest duty regularly performed requires the exercise of judgement in which the "highest duty" aspect is balanced against the regularity of performance. In choosing the duty (or duties) which constitute the highest duty, both aspects must be considered. For example, a duty which is clearly the most demanding within an employment category would normally not be selected if it is rarely performed. Similarly, a routinely performed duty which requires the exercise of minimal skill or responsibility would not be appropriate.

20. As a general guide, a duty which does not require performance in the course of a normal working day would generally not meet the "regularly performed" criterion.

21. While the "highest duty regularly performed" will remain the primary principle, some employment categories may require the exercise of many duties demanding skills of a high order. This may be taken into account by the DFRT when assessing the appropriate placement of a category. As a number of ADF employment categories demand a wide range of skills, it is important that the whole job is assessed against the work value factors. Payment of the higher classification is based on the exercise of the skills identified not the gaining of the qualification.

WORK VALUE PRINCIPLE

22. The Australian industrial relations system involves the Australian Industrial Relations Commission (AIRC) establishing principles (wage fixing principles) which govern all matters affecting movements in pay and pay-related allowances. Although the *Defence Act 1903* requires that the DFRT "have regard to" relevant decisions and principles of the AIRC, the DFRT is not bound by those principles and may interpret how the principles are to apply in relation to ADF matters such as to accommodate the unique circumstances of ADF employment. Generally, however, the DFRT applies the **work value principle** as intended and any movement in pay or allowances is required to conform with the requirements of that principle.

23. The work value principle is the guiding doctrine which must be satisfied in order to successfully mount a case for movement of an employment category within the structure. Work value is essentially the wage-fixing concept of determining the monetary worth of particular work by reference to its nature, the level of skill and responsibility required, or the conditions under which it is performed.

24. This principle (and others) may be modified by the AIRC at any time and will be contained in a 'Statement of Principles'. The current Statement of Principles was issued as a consequence of the Safety Net Award Decision of 2004. An extract from principle number 6 (work value changes) is at annex F.

25. Access to a particular pay group is based upon a whole of job definition, rather than a trade or technical qualifications alone. The *Other Ranks Definitional Framework* is based on this understanding and has been developed to include the individual military, rank and job skills required for each level.

26. The seven "broadbanded" skill-based pay groups in the Other Ranks ADF framework accommodate a large number of skills within each particular level. In order to move from one level to another, the work value change that has occurred must not only constitute a significant net addition to the work requirements but must significantly alter the work. A minor change in work value that does not warrant a move to a different pay level may be taken into account in evaluating a category within its presently assigned level.

27. The work value principle in relation states (in part) that:

- a. Changes in the nature of the work should constitute such a **significant net addition/reduction** to work requirements as to warrant pay group increase/decrease.
- b. Where there are significant changes in work value, an assessment will have to be made as to how that alteration should be measured in monetary terms. Such assessment will normally be based on the previous work requirements, the

wage previously fixed for the work and the nature and extent of the change in work.

- c. Changes in work value are to be measured from the date a category was previously reviewed by the DFRT, Committee of Reference (COR) or Committee of Inquiry (COI).
- d. Care should be exercised not to include changes that were included in previous cases in order to justify a pay group increase.
- e. Where new or changed work justifying a higher rate is performed only from time to time by persons covered by a particular classification, a special allowance may be payable in lieu of an increase in pay group.
- f. Advances in technology do not necessarily indicate changes in work value.

Additional work value considerations

28. Changes to the manner in which work is carried out or the equipment and processes used must be examined closely to determine whether they constitute work value change. For example, the introduction of new equipment may call for more responsibility but, at the same time, may reduce the level of skill required so on balance there is no work value increase.

29. If the change creates substantial skill increases or the requirement to accept substantially greater responsibility, work value may be affected. However it must be borne in mind that personnel employed in all categories are required to keep their skills abreast of developments relevant to their trade. Accordingly, evolutionary changes do not normally constitute a work value increase.

Comparative Work Value

30. The work value principle provides for the comparison of work performed with that performed by other members within the classification, or other comparable classifications (ie, relative work value). In practice, an ADF employment category under review will always be compared with comparable benchmark categories. The purpose of this work value comparison is to ensure that anomalies or inequities are not created across the OR employment category framework. A work value comparison will also be carried out in order to identify opportunities for category amalgamation or to assess the appropriateness of similar changes being undertaken in other Services. In circumstances where a reasonable comparison cannot be made with categories within the ADF, it is acceptable to carry out a comparison with a similar classification in another sector of public employment.

Benchmark categories

31. Benchmark categories provide examples of categories that have safely attained a certain pay group. They provide the basis for comparison to enable appropriate pay group allocation decisions to be made.

32. The *Other Ranks' Definitional Framework* contains detailed descriptions of established benchmark categories. The work value factors provide evidence to justify pay group placements and are used to compare categories. Work value factors may be different for each level in the trade.

HISTORICAL BACKGROUND

33. The ADF Pay Structure comprises Pay Groups 1 to 7 and stems from the original pay structure developed by the Kerr/Woodward Committee of Inquiry (COI) in the early 1970s. The COI introduced a six level broadbanded structure in 1972, later changed by the Coldham Committee of Reference for Defence Force Pay (COR) with the introduction of a seventh pay level.

34. The OR Pay Structure underwent a further fundamental review during the period 1992-95, known as the Other Ranks' Pay Structure Review (PSR'95). This time the terminology changed from Pay Level to Pay Group and a seventh Pay Group was added to the structure. In transitioning from Pay Levels to Pay Groups under PSR'95, the previous Pay Levels 1 and 2 were combined and called Pay Group 1 and Pay Group 7 added to accommodate (at that time) the RAAF Systems Technicians.

35. In the present day structure, pay groups are said to be broadly related to the general civilian industrial structure. The benchmark category (for external comparison) remains as Pay Group 3. The civilian industrial alignment, as developed by the Committee of Inquiry, following PSR'95 is as shown in Table 1. This table formed the basis upon which the current *Other Ranks' Definitional Framework* was developed.

Pay Group	Civilian Industrial Gradation of Skill
Group One	Semi Skilled
Group Two	Lower Skilled Trades and Equivalent
Group Three	Skilled Trades Level and Equivalent
Group Four	Higher Skill Trades Level and Equivalent
Group Five	Technicians and Equivalent
Group Six	Advanced Technicians and Equivalent
Group Seven	Systems Technicians and Equivalent

Table 1.

QUALIFICATIONS

36. Qualifications refer to both formal and informal training and/or experience relevant to the type of work being performed. They include the need for further training "on the job", and the requirement for additional training above the basic level. Criteria under this heading are broken down into three sub-groups:

- a. The requirement for specified physical, psychological and educational standards may apply to each grade but will be mandatory for an initial grading.
- b. The level of training and/or experience to a specified level under the Australian Qualifications Framework (AQF) or a level considered by the Chief of Defence Force (CDF) to be of an equivalent standard.
- c. Recognition of competency which is reflected in collective and individual training by use of a competency log book or equivalent.

37. The specified level of training and/or experience generally refers to a level of accreditation under the AQF, which is endorsed by the Commonwealth, state and territory ministers responsible for vocational education and training.

38. The attainment of a higher qualification is not, in itself, sufficient justification for pay group movement.

SKILL GRADES

39. The restructuring of an employment category into skill grades can be justified only where there are distinct and identifiable differences in the duties, skills and responsibilities proposed for each grade. Grading is generally linked to structural efficiency where the level of training provided matches the level of work skills required at that point in the member's career. Progressive training and career growth is generally matched to skill grade placement.

40. A differentiation in duties, skills and responsibilities may exist in an employment category which would justify grading the structure. However, this does not automatically warrant allocation of a higher pay group for a higher grade. **Care must be taken in not allocating a grade in relation to change in rank alone.** The appropriate point to recognise a change in grade is when a higher level of trade skill is actually utilised. This usually follows qualification, rather than promotion.

DEFINITIONAL FRAMEWORK

41. Preparation of the definitional framework is normally the responsibility of the case officer. The category sponsor will assist the case officer with the relevant trade information in order to develop the correct definitional framework for each grade of the trade.

42. **Range of skills.** This section identifies the range of skills and competency required at each level. Skills may be intellectual, manual, motor, perceptual, social or interpersonal. The nature of tasks usually requires a combination of these and usually involves the application of cognitive and psychomotor functions, together with appropriate knowledge. Skills that are common across most groups are included in the glossary to the *Other Ranks' Definitional Framework*. Skills that may be related to discrete employment, such as cooks using cooking skills, are not included.

43. **Depth of knowledge.** This refers to the base of factual and theoretical material that is accessed, manipulated and used in a cognitive way. The complexity, depth and/or breadth of knowledge base required to be applied will generally increase with movement up through the groups and is rated from lowest to highest by reference to limited, moderate, in depth and substantial. Depth of knowledge may be supported by reference to the need for concentration, theoretical concepts, and detailed knowledge of procedures, regulations or instructions.

44. **Range of actions.** Range of actions refers to the range of duties expected to be performed at a particular level. Generally, the range of actions increases with each level. However, as with skills, the range of actions required to be performed may become narrow as the complexity of the work increases. This is particularly evident in the higher pay ranges involving technical areas.

45. **Complexity of actions.** This refers to the use of knowledge in making decisions and the degree of independent action required. The level of discretion, autonomy and freedom to act generally increases and broadens with advancement. Other issues addressed under the heading 'complexity of actions' include:

- a. the level of responsibility involved and the consequence of error;

- b. the extent to which accountability for personnel, money, machines, classified matter, weapons or other equipment is involved;
- c. the nature and extent of contact with others; and
- d. the work environment.

CASE DEVELOPMENT

46. When the ECRC has recommended that a case requires review by the DFRT, the Assistant Director in DMSA-P will allocate a case officer for the trade. The case will be considered at the next programming conference with the DFRT for hearing at the next available opportunity. Programming conferences are usually held in July and November each year. The case officer will then work with the category sponsor to progress the case to its final form where it will be heard by the DFRT. The Defence Force Advocate (DFA) will provide direction on the content of the case that will be presented to the DFRT in court. There are a number of participants and several significant benchmarks which must be followed in developing a case. This section provides a general guide to these. The approach to each case will be different, depending on its particular requirements.

47. **Participants.** The main participants in the development of the case, post ECRC, are as follows:

- . **Assistant Director Salaries.** The Assistant Director Salaries in DMSA-P supervises the case officer and has overall responsibility for ensuring the efficient and effective management and development of the case for hearing by the DFRT.
- . **Case Officer.** The case officer advises and assists the category sponsor in bringing forward the final submission. The case officer, with the assistance of the category sponsor, will coordinate the compilation of the relevant documentation (e.g. Course data, trade structure diagrams and affidavits) that will form the basis of a court book. The court book will be the legal evidence in seeking changes in pay group placement. The case officer has the responsibility for overall development of the case to be heard by the DFRT.
- . **Category Sponsor.** The category sponsor is responsible for providing the relevant information, evidence and resources in support of the case, including the travel and allowances for witnesses and access to equipment and venues.
- . **Assistant Defence Force Advocate (ADFA).** The ADFA is a Service legal officer whose role is to provide legal support and guidance in the preparation of the case and to assist the DFA. In the early stages of the case, the ADFA works with the case officer to ensure that the case is presented in a way that best advocates the case for the ADF and that it is consistent with guidance received from the DFA. The ADFA works with the case officer throughout the case and is involved in the selection of witnesses and preparation of witness statements, and identifying the evidence required in support of the ADF submission.
- . **Defence Force Advocate (DFA).** The DFA is a statutory appointment made by the Minister for Defence. The DFA is an industrial relations specialist and is responsible for representing the CDF in all matters before the DFRT.

- . **Defence Force Remuneration Tribunal (DFRT).** The DFRT's statutory role is "...to inquire into and determine the salaries and relevant allowances to be paid..." to ADF members and to deal with such other prescribed matters as may be referred. The DFRT determines salaries on sound industrial principles, including the assessed work value of employment in the ADF.
- . **Department of Employment and Workplace Relations (DEWR).** For industrial relations purposes, DEWR fulfils the employer role in relation to matters concerning ADF remuneration and some aspects of conditions of service. Representing the Commonwealth, DEWR oversees all public sector pay structures to ensure that efficiency and the industrial objectives of Government are being achieved. This means that they fill the role of the opposing party at the hearing and, in doing so, DEWR has the responsibility for ensuring that the ADF case follows industrial principles and that the case has sufficient merit. It is the ADF's preferred option that all matters proceeding to the DFRT for consideration do so as 'agreed matters'. The ADF negotiates with DEWR prior to the hearing to attempt to progress as an agreed case. If the case can be agreed, DEWR will not oppose the ADF's submission at the hearing. Should this not be possible, progressive consultation and negotiations with the parties will lead to a clear definition of the areas of disagreement. If the case is not agreed, additional evidence may be required, and witnesses may be cross-examined. Whether or not the case is agreed, it is ultimately up to the DFRT to make a determination, based on the evidence before it.

DEWR may employ a number of mechanisms in order to fulfil its role:

- a. DEWR may recommend to the ADF that certain categories should be reviewed; and
- b. DEWR may choose to participate in cases brought before the DFRT, either supporting or opposing the ADF position.

PROGRESSING THE CASE

48. **Familiarisation visit.** The case officer will need to see the trade in operation and to verify the information provided, scope possibilities for inspection etc. This is the opportunity to select witnesses for the inspection. Witnesses for each grade within the trade will be selected to explain their role to the DFRT, DEWR and other members on the official inspection of the trade. The inspection is critical if the case is to be successful.

49. **Concurrent Activity.** The sponsor, advised by the case officer, will be required to obtain all supporting documentation that will support the case. This will include civil accreditation, course data sheets, and ADF- and Services-initiated doctrine.

50. **Inspections.** There will usually be a requirement to conduct "on site" inspections as part of a case for pay group change or category restructuring. Inspections are intended to allow the DFRT and other parties to gain additional information that may not be available from submissions made by the ADF, DEWR or other parties appearing before it. Inspections should be structured in a way that allows the DFRT to gain an appreciation of the work and work value of the category under review, and should particularly address those factors which are the basis of the case. Most inspections will require one week of rehearsals, including all unit personnel involved in the inspection, prior to the visit actually occurring. Inspections are

disruptive to unit activity and are expensive to conduct. Consequently they need to be carefully planned. A pre-inspection written and verbal brief should be provided to the DFRT and DEWR prior to the inspection. A copy of the written brief should also be sent to ArFFA, RSL and the Service and sponsors.

51. **Courtbook.** The Courtbook is the document that is submitted to the DFRT as evidence. The Courtbook contains evidence and information concerning the basis of the ADF case such as:

- Propositions
- Industrial History
- Rationale for Change
- Description of trade by grade
- Definitional Frameworks
- Training documentation
- Witness statements
- Inspection report
- Transition plan
- Implementation plan
- Cost of the restructure

52. **Witness statements or affidavits.** Selected personnel will be required to submit a witness statement as part of the courtbook and to (possibly) give evidence before the DFRT. Verbal evidence given on oath or affirmation will carry a great deal of weight, as it will convince the DFRT of the merits of the case. **Sponsors should note that they will be responsible for bearing the cost of travel and subsistence for witnesses brought before hearings, conferences etc, should they be required.**

DFRT HEARING

53. A hearing before the DFRT may take a number of forms:

- a. For agreed cases, both parties may present verbal and documentary evidence supporting the claim. Witnesses may be introduced to assist the DFRT in understanding the matter under consideration. While it is an agreed case, the DFRT will usually require an inspection in order to fully understand the submission and to satisfy itself that the claim is valid.
- b. A case that is not agreed requires argument and evidentiary material to support the work value aspects of the case and to counter evidence produced by the opposing party. The case will generally be viewed more critically by the DFRT

and will invariably involve an inspection. The DFRT may call a conference of the parties in order to identify points of difference and to provide guidance leading towards resolution.

DETERMINATION

54. A draft determination will form part of the courtbook. The determination incorporates such information as the name and grade of the trade by each pay group, a date of effect and the signature blocks for each member of the DFRT. Following the court hearing, the DFRT will sign this determination. It then becomes the legal basis for paying ADF members. By law then each grade of the trade mentioned in this determination must be paid the appropriate pay groups mentioned.

55. The signed determination is sent to the Directorate of Conditions Information and Policy Services and be incorporated into the Pay and Conditions Manual (PACMAN). Copies of the determination will be given to Defence Force Pay Accounting Centre (DEFPAC) and interested parties. DEFPAC will then adjust the salary rate for the relevant personnel, as advised by the category sponsor.

EMPLOYMENT CATEGORY REVIEW COMMITTEE**CHARTER****Role**

1. The Employment Category Review Committee (ECRC) is the principal advisory committee to the ADF on matters relating to the remuneration of employment categories. It advises and makes recommendations as to whether personnel employed within employment categories receive a level of remuneration appropriate to work value, and whether they require review by the Defence Force Remuneration Tribunal (DFRT).

Authority

2. The ECRC 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

3. The membership shall comprise the following:

a. **Permanent members.**

- (1) Chair, Secretary and other members, as appropriate, representing and endorsed by DMSA-P;
- (2) representatives of DGNPT, DGPERS-A and DGPERS-AF at a minimum equivalent level of Major or APS6; and
- (3) a representative of Workforce Planning, Recruitment and Retention (DGWPRR) appropriate to the Service(s) of the employment category(s) under consideration at each meeting.

b. **Invited members.** Relevant sponsors of the employment categories under the consideration of the committee are usually invited to attend by their Service representative.

c. **Observers.** Other interested parties may attend, subject to the limitations of the venue.

Tasks

4. The ECRC has the following tasks:

- a. recommend whether Service proposed changes to levels of remuneration within one or more employment categories are justified;

- b. recommend whether Service endorsed changes to employment category structures are consistent with levels of remuneration awarded to the category by the current DFRT determination(s) applying to the category;
- c. provide final and formal ADF consideration of proposed changes to employment category structures, prior to referral to the DFRT;
- d. where justification exists, refer employment categories to the DFRT to determine appropriate levels of remuneration for the category; and
- e. provide a means to inform the Services of the category related issues of the other Services, facilitating the development of a common approach where possible and appropriate.

Principles

- 5. Each Service has the authority to determine, approve and manage their employment category and training structures.
- 6. The sole authority to approve remuneration, based on Service approved employment category structures, rests with the DFRT.
- 7. The ECRC may make recommendations as to whether the remuneration of employment category structures require review by the DFRT.
- 8. Permanent Service members attend meetings as representatives of their Service. DPE members attend meeting as representatives of their organisations within DPE.
- 9. The ECRC will only consider employment categories that have been nominated by their parent Service, or have been identified by the DFRT for review.
- 10. Specific to Service items heard by the Committee must have been considered by, and achieved the support of their relevant Service prior to the meeting. The expectation is that proposals are both justified and suited to Service needs.
- 11. The recommendations of the Committee will be made by the Chair on the basis of the majority view of the permanent members, with dissenting views reflected in the minutes.

Recommendations

- 12. After its consideration of a matter, the committee will make one or more of the following recommendations:
 - a. **That the matter requires review by DFRT** as the employment category is not receiving an appropriate level of remuneration or is inconsistent with the last formal review or determination by the DFRT. Such a recommendation will initiate a review of the category by the DFRT at the first available opportunity.
 - b. That there exists **no requirement for review by the DFRT** as;
 - (1) The employment category is receiving an appropriate level of remuneration.

- (2) The employment category structure is consistent with the last formal review or determination of the DFRT, and there has been no work value change.
- c. **No recommendation.** Such a recommendation would be due to;
- (1) Insufficient information provided in the submission. Such a recommendation may entail a future re-submission to the ECRC with additional information.
 - (2) The matter under consideration is inappropriate for Committee recommendation.

Business rules

13. **Scheduled ECRC meetings.** Meetings will be scheduled consistent with demand. Normally meetings will occur on a fortnightly basis. A schedule of meetings, indicating categories to be considered for referral to DFRT, will be promulgated as a result of the advice and priorities given by the Services. The schedule will be promulgated biannually and amended as necessary.

14. **Scheduling of category matters seeking ECRC recommendation.** The ECRC Secretary will contact the Services in November to request advice of matters to be scheduled before the ECRC in the following year. Additional matters may be scheduled four weeks prior to the intended meeting. When necessary, due to urgency or the existence of a large number of such matters, attempts will be made to accommodate cases at the first available opportunity and additional Committee meetings may also be scheduled.

15. **Programming category matters for review by the DFRT.** DFRT Programming Conferences are held in February, July and December. These conferences confirm the next 12 months of DFRT hearings. A matter will not normally be scheduled with the DFRT unless ECRC recommendation has been obtained a minimum of one month before the Programming Conference.

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

17. **Agenda.** A meeting agenda will be circulated to permanent members three days prior to the scheduled meeting.

18. **Format of submissions.** Written submissions should be produced with a view that their ultimate purpose lies beyond their consideration by the ECRC. The ECRC 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. **Submissions seeking recommendation that the matter requires DFRT consideration.** Where practicable, the ECRC submission should conform to the requirements of a DFRT court book. Further Guidance will be promulgated separately by DMSA-P.

- b. **Submissions seeking recommendation that the matter does not require DFRT consideration.** Submissions seeking ECRC recommendation need only provide sufficient information for the Committee to be able to properly consider the matter. At a minimum, this should include diagrams of the previous DFRT endorsed and current employment category structure, accompanied by a written comparison sufficient to justify that the two structures are equivalent in work value. Further Guidance will be promulgated separately by DMSA-P.

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

20. **Reporting ECRC recommendations to the DFRT.** DMSA-P will inform the DFRT biannually of the substance of matters where the ECRC has recommended that there is no requirement for review by the DFRT. The DFRT may further test any ECRC recommendation it deems necessary.

21. **ECRC minutes.** Minutes of each meeting require the endorsement of DMSA-P before promulgation. Once endorsed, minutes will be cleared by the Committee at the next meeting and promulgated to addressees.

**EXAMPLE OF THE FORMAT FOR A TYPICAL ECRC (NON-DFRT)
SUBMISSIONS THAT ARE SEEKING RECOMMENDATION THAT DO NOT
REQUIRE DFRT CONSIDERATION OF THE TRADE**

Purpose/Recommendation

1. For audit submissions the recommendation sought from the ECRC will usually be a recommendation that the matter does not require review by the DFRT. The ECRC Charter provides more information on possible recommendations.

Changes / Industrial Background

2. Incorporate what evidence was presented in last case to the DFRT and any changes that were presented to the ECRC (Prior non-DFRT submissions). What did the trade do last time it was reviewed and what does the trade do now. Changes to the structure should be discussed individually, with separate sub-headings for each change, and should discuss in detail what the changes involve. For example, changes to training should include a comparison between the requirements, content and duration of the old and new courses, and any effect on the nature of work value on completion.

3. Discussion should include justification that there is no change in work value that would require review by the DFRT, with reference to previous cases and relevant determinations.

Diagrams

4. Provide a copy of the old (previous) wire diagram (annex D) from reasons for decision (or courtbook if not in reasons) of the previous case.

5. Provide a copy of the new (proposed) structure wire diagram (annex E) highlighting all changes.

Conclusion

6. Statement reinforcing the content of the submission.

ANNEX C

**EXAMPLE OF THE FORMAT FOR A TYPICAL ECRC (DFRT) SUBMISSION
SEEKING RECOMMENDATION THAT THE TRADE REQUIRES REVIEW BY
THE DFRT**

For matters where structural change or pay group placement is being sought, it is important that an operationally sound structure and a sustainable career progression are provided that meets the role and responsibilities of the Service. The following are the essential minimum factors that are required to be considered by the employment category sponsor:

Introduction

1. Provide an outline of what the submission is seeking to achieve.

Industrial background

2. This will include when the trade was last reviewed (this will include details of the last non-DFRT and DFRT submission) and details of how the trade has evolved to its current state. The ECRC Secretary can provide dates and details of earlier reviews, as well as copies of old courtbooks and decisions.

Changes

3. Outline the changes in **nature of work** and provide a comparison between the **current (old) work** and the **proposed (new) work**. This section should provide a detailed description of the roles and responsibilities for each grade, as well as the training, skills and qualifications. This comparison is often best presented in table format.
4. Wire diagrams of the old structure and the new structure should be included as annexes to the submission. They must include career progression, trade courses undertaken, course timings in weeks and pay group placement. Examples are shown at annexes D and E of this guide.

Reserves personnel

5. Sponsor is to provide advice if Reserves are employed in the trade. If so, do they do the same training as a full time member? If not, then a separate wire diagram showing the different training and pay placement is required. Modularised training is a method that Army employs for some of their Reserve trades.

Rationale for change

6. This section should provide justification for the changes from an ADF or relevant Service perspective. For example, legislative change that has led to a change in roles or responsibilities or technology change. Areas that could be considered under separate headings could include:
 - a. expansion of roles or responsibilities,
 - b. changes in capability requirements,

- c. increased complexity and range of equipment, and
- d. subsequent increases in training.

Personnel

- 7. Provide numbers of personnel by rank and grade within the structure and what effect this may have on the trade.

Financial resource implications

- 8. The submission should include an indication of the estimated cost and an indication of financial support by the Service.

Service clearance

- 9. Service clearance is required as detailed in paragraphs 9 and 10 of the ECRC Charter (Annex A) to this document.

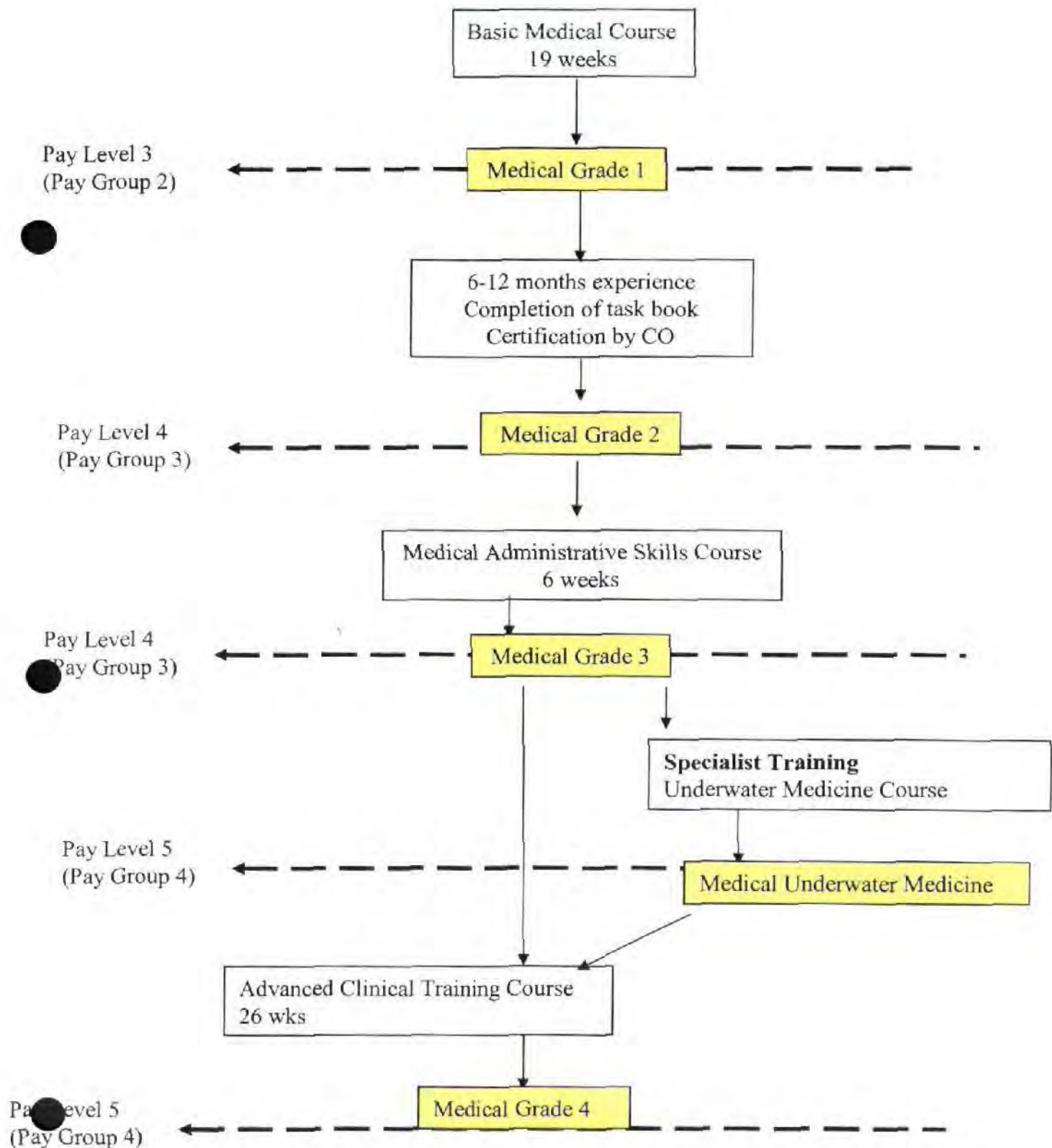
Conclusion

- 10. Statement reinforcing the content of the submission.

ANNEX D

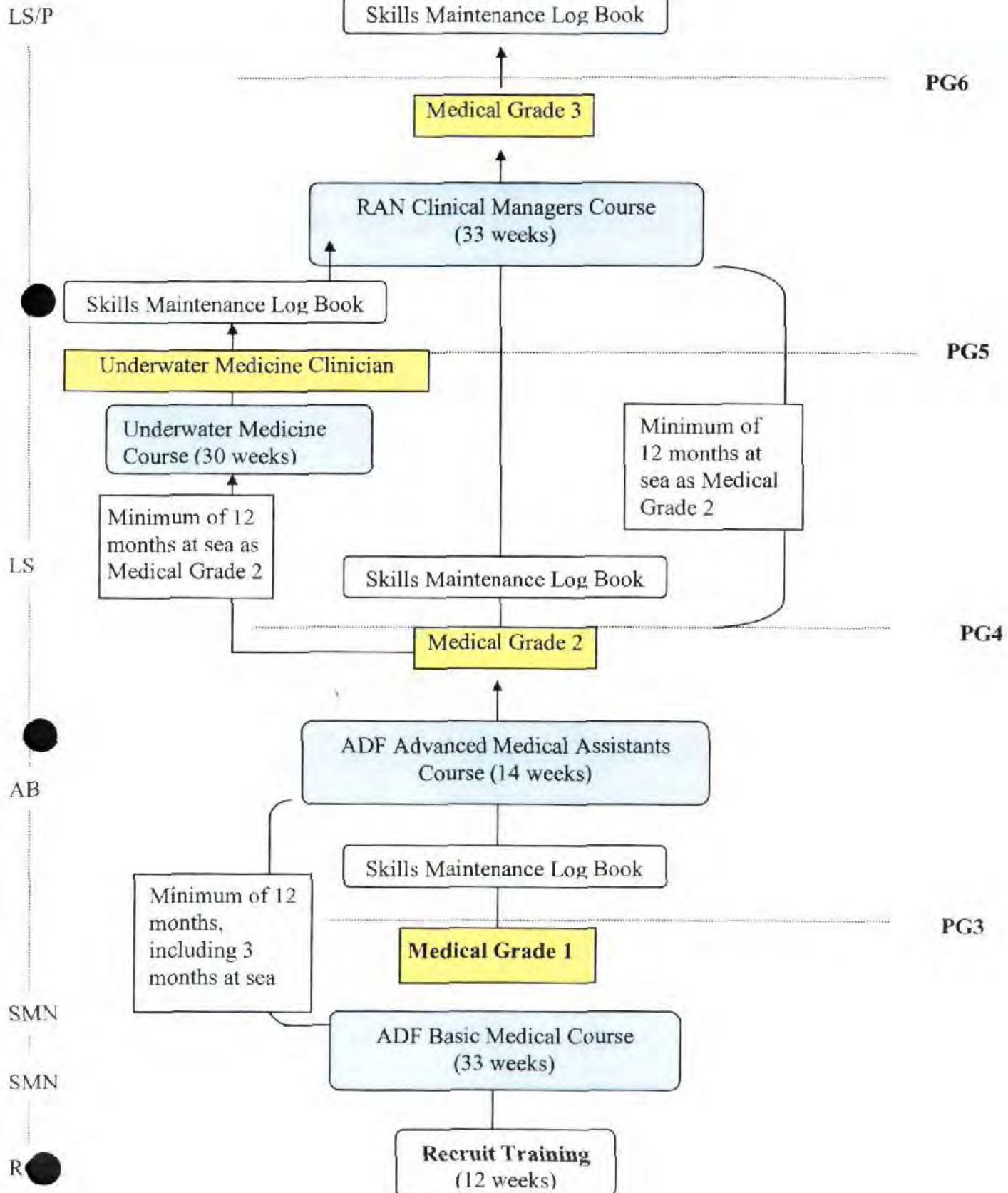
EXAMPLE OF AN OLD STRUCTURE WIRE DIAGRAM

NAVY

MEDICAL ASSISTANTS and UNDERWATER MEDICS
CAREER STRUCTURE AS AT 1993

EXAMPLE OF A PROPOSED STRUCTURE WIRE DIAGRAM NAVY MEDICAL ASSISTANT CATEGORY

PROPOSED STRUCTURE



EXTRACT FROM PRINCIPLE 6 – WORK VALUE CHANGES**Work Value Changes**

(a) Changes in work value may arise from changes in the nature of the work, skill and responsibility required or the conditions under which work is performed. Changes in work by themselves may not lead to a change in wage rates. The strict test for an alteration in wage rates is that the change in the nature of the work should constitute such a significant net addition to work requirements as to warrant the creation of a new classification or upgrading to a higher classification.

In addition to meeting this test a party making a work value application will need to justify any change to wage relativities that might result not only within the relevant internal award structure but also against external classifications to which that structure is related. There must be no likelihood of wage leapfrogging arising out of changes in relative position.

These are the only circumstances in which rates may be altered on the ground of work value and the altered rates may be applied only to employees whose work has changed in accordance with this Principle.

(b) In applying the Work Value Changes Principle, the Commission will have regard to the need for any alterations to wage relativities between awards to be based on skill, responsibility and the conditions under which work is performed (s.88B(3)(a)).

(c) Where new or changed work justifying a higher rate is performed only from time to time by persons covered by a particular classification, or where it is performed only by some of the persons covered by the classification, such new or changed work should be compensated by a special allowance which is payable only when the new or changed work is performed by a particular employee and not by increasing the rate for the classification as a whole.

(d) Care should be exercised to ensure that changes which were or should have been taken into account in any previous work value adjustments or in a structural efficiency exercise are not included in any work evaluation under this Principle.

(e) Where the tests specified in (a) are met, an assessment will have to be made as to how that alteration should be measured in monetary terms. Such assessment will normally be based on the previous work requirements, the wage previously fixed for the work and the nature and extent of the change in work.

(f) The expression *"the conditions under which the work is performed"* relates to the environment in which the work is done.

(g) The Commission will guard against contrived classifications and over-classification of jobs.

(h) Any changes in the nature of the work, skill and responsibility required or the conditions under which the work is performed, taken into account in assessing an increase

under any other principle of this Statement of Principles, will not be taken into account under this Principle.

DEFENCE PERSONNEL EXECUTIVE



Australian Government

Department of Defence

Defence Personnel
Executive

OTHER RANKS' PAY PLACEMENT GUIDE

2006 REVISION

Preface

1. This document is issued under my authority in order to provide guidance to the Services and Trade Sponsors in preparing Other Ranks' pay placement submissions or justifications to the Defence Force Remuneration Tribunal. This should be read in conjunction with the *Other Ranks' Definitional Framework*.
2. The contact officer for any enquiries is the Employment Category Review Committee Secretary on s47E(d).

s47F

Acting Director of Military Salaries and Allowances – Policy

April 2006

AIM

1. The aim of this guide is to assist Service personnel who manage Other Ranks' (OR) employment categories (category sponsor) in the preparation of effective pay group review submissions.

STRUCTURE

2. The guide provides necessary background information concerning the industrial principles which the Australian Defence Force (ADF) must satisfy in order to successfully conduct a review of a category's pay group placement and it explains the processes involved in reviewing a category.
3. The *Other Ranks' Definitional Framework* also plays an important role in the management of the pay structure. This guide complements the *Other Ranks' Definitional Framework* and provides a simplified checklist for the preparation of submissions and cases.

ADF OTHER RANKS' PAY SYSTEM

4. The ADF Other Ranks' (OR) pay group system is a complex structure involving over 200 separate jobs distributed across seven pay groups. Within the structure, the duties, skills and responsibilities of any job (employment category) do not remain static. Change occurs, for example, as a result of the introduction of new procedures, training requirements, redistribution of duties, restructuring, or changes in technology.
5. Change in the nature of work often generates a perception that an increase in pay level is warranted. Often this is the case, however, in many instances, the nature of the change is such that it does not satisfy the criteria which justify pay group movement.
6. Two guiding principles govern the placement of OR employment categories within the pay structure. The first is "work value" which means that all ADF personnel should be paid at a rate which is justified by the skill, responsibility and working environment associated with the job. The second principle is "equity" which, in the ADF, means that categories of same or similar work value receive the same level of pay.
7. Employment category placement is decided by the Defence Force Remuneration Tribunal (DFRT) using the concept of work value against the *Other Ranks' Definitional Framework*. The *Other Ranks' Definitional Framework* recognises that the range of skills required to determine a pay group will depend on a range of factors (qualifications, range of skills, depth of knowledge, range of actions and complexity of actions) which will be explained later in the guide.

REVIEW OF PAY GROUP PLACEMENT

8. Review of the placement of an employment category can be initiated by the sponsoring Service, the Department of Employment and Workplace Relations (DEWR) or the DFRT. A category will be reviewed when:
 - a. the DFRT determines that a review should be conducted;
 - b. a new category is created;

- c. an existing category has undergone significant change or has been amalgamated with another category;
- d. the category sponsor, in conjunction with the Service, considers that opportunities exist to rationalise the category or believe that the category may be incorrectly placed; or
- e. an anomaly or inequity is believed to exist in relation to other categories within the Service or similar categories in the other Services.

THE REVIEW PROCESS

9. If the Trade Sponsor considers that the trade has undergone significant change since it was last reviewed by the DFRT or equivalent, the first point of contact is the relevant Service industrial area (i.e. DGNPT, DGPERS-A or DGPERS-AF).

10. Once the requirement for a review is identified by the sponsor and support from the relevant Service is obtained, they prepare a submission to the Employment Category Review Committee (ECRC) (see below and annexes B and C) which reflects the endorsed proposal. Each Service has different requirements, which can be advised by the area concerned to the Service representative who will incorporate it into the submission.

ROLE OF THE EMPLOYMENT CATEGORY REVIEW COMMITTEE (ECRC)

11. The ECRC is the principal advisory committee to the ADF on matters relating to the remuneration of employment categories. It advises and makes recommendations as to whether personnel employed within employment categories receive a level of remuneration that is consistent with their required levels of skill. A matter will not normally be scheduled with the DFRT unless ECRC recommendation has been obtained a minimum of one month before a scheduled DFRT Programming Conference. The ECRC convenes on a fortnightly basis and comprises representatives from the three Services and the Director of Military Salary and Allowances – Policy staff. Further information on the ECRC is detailed in the ECRC Charter at annex A.

12. Once the submission gains the approval of the parent Service, the Service will bring the submission forward for ECRC consideration. Normally this will entail the sponsor presenting the submission in the presence of the parent Service representative. The ECRC undertakes an initial assessment of the case based on the presented submission, in order to assess the merits of pursuing the matter further. The ECRC can make a number of recommendations. It can recommend:

- a. the changes do not require DFRT consideration, which means that the Service can implement the changes with no requirement to present the case to the DFRT;
- b. the matter requires consideration by the DFRT, which means the case follows the process outlined at Paragraph 49 of this guide; or
- c. no recommendation if the submission does not contain sufficient information.

ROLE OF DFRT

13. The DFRT's statutory role is "...to inquire into and determine the salaries and relevant allowances to be paid..." to ADF members and to deal with such other prescribed matters as may be referred.
14. The DFRT determines salaries on sound industrial principles, including the assessed work value of employment in the ADF.

FORMAT OF SUBMISSIONS TO THE ECRC

15. Sponsors preparing submissions to the ECRC should be aware that not all factors contained in the guide will be relevant to their submission. Nor will the format suit all cases. Submission preparation should be coordinated with the relevant Service industrial area.

Emphasis

16. Submissions will require different information, depending on the purpose of the submission. For example, a submission seeking a pay group allocation for a new or amalgamated category will require greater emphasis to be placed on the overall role and detailed duties of the job. A submission seeking a different pay group allocation for an existing category should emphasise what has changed since the last review.

Who and what is assessed

17. When preparing a submission, the work value assessment should be conducted in relation to a fully qualified member working at a minimum standard of professional competence that would be acceptable for each grade within the employment category. This normally means reviewing personnel at the minimum rank level for each grade of the category under review. Minimum rank levels need not be Private Equivalent (PTE(E)), as a number of grades within categories have minimum ranks above PTE(E).

Highest duty regularly performed

18. When preparing a submission, the duties that go to make up a category's employment should be rated using the work value characteristics detailed at paragraph 23. As a general rule, duties should be identified as a grouping of activities that make up a task, rather than as a range of minor manipulative, clerical or mental functions.
19. Because of the spread of duties that make up the work conducted by any employment category, industrial tribunals have usually adopted the principle of "the highest duty regularly performed" as the primary basis of assessment. Selection of the duty which constitutes the highest duty regularly performed requires the exercise of judgement in which the "highest duty" aspect is balanced against the regularity of performance. In choosing the duty (or duties) which constitute the highest duty, both aspects must be considered. For example, a duty which is clearly the most demanding within an employment category would normally not be selected if it is rarely performed. Similarly, a routinely performed duty which requires the exercise of minimal skill or responsibility would not be appropriate.
20. As a general guide, a duty which does not require performance in the course of a normal working day would generally not meet the "regularly performed" criterion.

21. While the "highest duty regularly performed" will remain the primary principle, some employment categories may require the exercise of many duties demanding skills of a high order. This may be taken into account by the DFRT when assessing the appropriate placement of a category. As a number of ADF employment categories demand a wide range of skills, it is important that the whole job is assessed against the work value factors. Payment of the higher classification is based on the exercise of the skills identified not the gaining of the qualification.

WORK VALUE PRINCIPLE

22. The Australian industrial relations system involves the Australian Industrial Relations Commission (AIRC) establishing principles (wage fixing principles) which govern all matters affecting movements in pay and pay-related allowances. Although the *Defence Act 1903* requires that the DFRT "have regard to" relevant decisions and principles of the AIRC, the DFRT is not bound by those principles and may interpret how the principles are to apply in relation to ADF matters such as to accommodate the unique circumstances of ADF employment. Generally, however, the DFRT applies the **work value principle** as intended and any movement in pay or allowances is required to conform with the requirements of that principle.

23. The work value principle is the guiding doctrine which must be satisfied in order to successfully mount a case for movement of an employment category within the structure. Work value is essentially the wage-fixing concept of determining the monetary worth of particular work by reference to its nature, the level of skill and responsibility required, or the conditions under which it is performed.

24. This principle (and others) may be modified by the AIRC at any time and will be contained in a 'Statement of Principles'. The current Statement of Principles was issued as a consequence of the Safety Net Award Decision of 2004. An extract from principle number 6 (work value changes) is at annex F.

25. Access to a particular pay group is based upon a whole of job definition, rather than a trade or technical qualifications alone. The *Other Ranks Definitional Framework* is based on this understanding and has been developed to include the individual military, rank and job skills required for each level.

26. The seven "broadbanded" skill-based pay groups in the Other Ranks ADF framework accommodate a large number of skills within each particular level. In order to move from one level to another, the work value change that has occurred must not only constitute a significant net addition to the work requirements but must significantly alter the work. A minor change in work value that does not warrant a move to a different pay level may be taken into account in evaluating a category within its presently assigned level.

27. The work value principle in relation states (in part) that:

- a. Changes in the nature of the work should constitute such a **significant net addition/reduction** to work requirements as to warrant pay group increase/decrease.
- b. Where there are significant changes in work value, an assessment will have to be made as to how that alteration should be measured in monetary terms. Such assessment will normally be based on the previous work requirements, the

wage previously fixed for the work and the nature and extent of the change in work.

- c. Changes in work value are to be measured from the date a category was previously reviewed by the DFRT, Committee of Reference (COR) or Committee of Inquiry (COI).
- d. Care should be exercised not to include changes that were included in previous cases in order to justify a pay group increase.
- e. Where new or changed work justifying a higher rate is performed only from time to time by persons covered by a particular classification, a special allowance may be payable in lieu of an increase in pay group.
- f. Advances in technology do not necessarily indicate changes in work value.

Additional work value considerations

28. Changes to the manner in which work is carried out or the equipment and processes used must be examined closely to determine whether they constitute work value change. For example, the introduction of new equipment may call for more responsibility but, at the same time, may reduce the level of skill required so on balance there is no work value increase.

29. If the change creates substantial skill increases or the requirement to accept substantially greater responsibility, work value may be affected. However it must be borne in mind that personnel employed in all categories are required to keep their skills abreast of developments relevant to their trade. Accordingly, evolutionary changes do not normally constitute a work value increase.

Comparative Work Value

30. The work value principle provides for the comparison of work performed with that performed by other members within the classification, or other comparable classifications (ie, relative work value). In practice, an ADF employment category under review will always be compared with comparable benchmark categories. The purpose of this work value comparison is to ensure that anomalies or inequities are not created across the OR employment category framework. A work value comparison will also be carried out in order to identify opportunities for category amalgamation or to assess the appropriateness of similar changes being undertaken in other Services. In circumstances where a reasonable comparison cannot be made with categories within the ADF, it is acceptable to carry out a comparison with a similar classification in another sector of public employment.

Benchmark categories

31. Benchmark categories provide examples of categories that have safely attained a certain pay group. They provide the basis for comparison to enable appropriate pay group allocation decisions to be made.

32. The *Other Ranks' Definitional Framework* contains detailed descriptions of established benchmark categories. The work value factors provide evidence to justify pay group placements and are used to compare categories. Work value factors may be different for each level in the trade.

HISTORICAL BACKGROUND

33. The ADF Pay Structure comprises Pay Groups 1 to 7 and stems from the original pay structure developed by the Kerr/Woodward Committee of Inquiry (COI) in the early 1970s. The COI introduced a six level broadbanded structure in 1972, later changed by the Coldham Committee of Reference for Defence Force Pay (COR) with the introduction of a seventh pay level.

34. The OR Pay Structure underwent a further fundamental review during the period 1992-95, known as the Other Ranks' Pay Structure Review (PSR'95). This time the terminology changed from Pay Level to Pay Group and a seventh Pay Group was added to the structure. In transitioning from Pay Levels to Pay Groups under PSR'95, the previous Pay Levels 1 and 2 were combined and called Pay Group 1 and Pay Group 7 added to accommodate (at that time) the RAAF Systems Technicians.

35. In the present day structure, pay groups are said to be broadly related to the general civilian industrial structure. The benchmark category (for external comparison) remains as Pay Group 3. The civilian industrial alignment, as developed by the Committee of Inquiry, following PSR'95 is as shown in Table 1. This table formed the basis upon which the current *Other Ranks' Definitional Framework* was developed.

Pay Group	Civilian Industrial Gradation of Skill
Group One	Semi Skilled
Group Two	Lower Skilled Trades and Equivalent
Group Three	Skilled Trades Level and Equivalent
Group Four	Higher Skill Trades Level and Equivalent
Group Five	Technicians and Equivalent
Group Six	Advanced Technicians and Equivalent
Group Seven	Systems Technicians and Equivalent

Table 1.

QUALIFICATIONS

36. Qualifications refer to both formal and informal training and/or experience relevant to the type of work being performed. They include the need for further training "on the job", and the requirement for additional training above the basic level. Criteria under this heading are broken down into three sub-groups:

- a. The requirement for specified physical, psychological and educational standards may apply to each grade but will be mandatory for an initial grading.
- b. The level of training and/or experience to a specified level under the Australian Qualifications Framework (AQF) or a level considered by the Chief of Defence Force (CDF) to be of an equivalent standard.
- c. Recognition of competency which is reflected in collective and individual training by use of a competency log book or equivalent.

37. The specified level of training and/or experience generally refers to a level of accreditation under the AQF, which is endorsed by the Commonwealth, state and territory ministers responsible for vocational education and training.

38. The attainment of a higher qualification is not, in itself, sufficient justification for pay group movement.

SKILL GRADES

39. The restructuring of an employment category into skill grades can be justified only where there are distinct and identifiable differences in the duties, skills and responsibilities proposed for each grade. Grading is generally linked to structural efficiency where the level of training provided matches the level of work skills required at that point in the member's career. Progressive training and career growth is generally matched to skill grade placement.

40. A differentiation in duties, skills and responsibilities may exist in an employment category which would justify grading the structure. However, this does not automatically warrant allocation of a higher pay group for a higher grade. **Care must be taken in not allocating a grade in relation to change in rank alone.** The appropriate point to recognise a change in grade is when a higher level of trade skill is actually utilised. This usually follows qualification, rather than promotion.

DEFINITIONAL FRAMEWORK

41. Preparation of the definitional framework is normally the responsibility of the case officer. The category sponsor will assist the case officer with the relevant trade information in order to develop the correct definitional framework for each grade of the trade.

42. **Range of skills.** This section identifies the range of skills and competency required at each level. Skills may be intellectual, manual, motor, perceptual, social or interpersonal. The nature of tasks usually requires a combination of these and usually involves the application of cognitive and psychomotor functions, together with appropriate knowledge. Skills that are common across most groups are included in the glossary to the *Other Ranks' Definitional Framework*. Skills that may be related to discrete employment, such as cooks using cooking skills, are not included.

43. **Depth of knowledge.** This refers to the base of factual and theoretical material that is accessed, manipulated and used in a cognitive way. The complexity, depth and/or breadth of knowledge base required to be applied will generally increase with movement up through the groups and is rated from lowest to highest by reference to limited, moderate, in depth and substantial. Depth of knowledge may be supported by reference to the need for concentration, theoretical concepts, and detailed knowledge of procedures, regulations or instructions.

44. **Range of actions.** Range of actions refers to the range of duties expected to be performed at a particular level. Generally, the range of actions increases with each level. However, as with skills, the range of actions required to be performed may become narrow as the complexity of the work increases. This is particularly evident in the higher pay ranges involving technical areas.

45. **Complexity of actions.** This refers to the use of knowledge in making decisions and the degree of independent action required. The level of discretion, autonomy and freedom to act generally increases and broadens with advancement. Other issues addressed under the heading 'complexity of actions' include:

- a. the level of responsibility involved and the consequence of error;

- b. the extent to which accountability for personnel, money, machines, classified matter, weapons or other equipment is involved;
- c. the nature and extent of contact with others; and
- d. the work environment.

CASE DEVELOPMENT

46. When the ECRC has recommended that a case requires review by the DFRT, the Assistant Director in DMSA-P will allocate a case officer for the trade. The case will be considered at the next programming conference with the DFRT for hearing at the next available opportunity. Programming conferences are usually held in July and November each year. The case officer will then work with the category sponsor to progress the case to its final form where it will be heard by the DFRT. The Defence Force Advocate (DFA) will provide direction on the content of the case that will be presented to the DFRT in court. There are a number of participants and several significant benchmarks which must be followed in developing a case. This section provides a general guide to these. The approach to each case will be different, depending on its particular requirements.

47. **Participants.** The main participants in the development of the case, post ECRC, are as follows:

- **Assistant Director Salaries.** The Assistant Director Salaries in DMSA-P supervises the case officer and has overall responsibility for ensuring the efficient and effective management and development of the case for hearing by the DFRT.
- **Case Officer.** The case officer advises and assists the category sponsor in bringing forward the final submission. The case officer, with the assistance of the category sponsor, will coordinate the compilation of the relevant documentation (e.g. Course data, trade structure diagrams and affidavits) that will form the basis of a court book. The court book will be the legal evidence in seeking changes in pay group placement. The case officer has the responsibility for overall development of the case to be heard by the DFRT.
- **Category Sponsor.** The category sponsor is responsible for providing the relevant information, evidence and resources in support of the case, including the travel and allowances for witnesses and access to equipment and venues.
- **Assistant Defence Force Advocate (ADFA).** The ADFA is a Service legal officer whose role is to provide legal support and guidance in the preparation of the case and to assist the DFA. In the early stages of the case, the ADFA works with the case officer to ensure that the case is presented in a way that best advocates the case for the ADF and that it is consistent with guidance received from the DFA. The ADFA works with the case officer throughout the case and is involved in the selection of witnesses and preparation of witness statements, and identifying the evidence required in support of the ADF submission.
- **Defence Force Advocate (DFA).** The DFA is a statutory appointment made by the Minister for Defence. The DFA is an industrial relations specialist and is responsible for representing the CDF in all matters before the DFRT.

- . **Defence Force Remuneration Tribunal (DFRT).** The DFRT's statutory role is "...to inquire into and determine the salaries and relevant allowances to be paid..." to ADF members and to deal with such other prescribed matters as may be referred. The DFRT determines salaries on sound industrial principles, including the assessed work value of employment in the ADF.
- . **Department of Employment and Workplace Relations (DEWR).** For industrial relations purposes, DEWR fulfils the employer role in relation to matters concerning ADF remuneration and some aspects of conditions of service. Representing the Commonwealth, DEWR oversees all public sector pay structures to ensure that efficiency and the industrial objectives of Government are being achieved. This means that they fill the role of the opposing party at the hearing and, in doing so, DEWR has the responsibility for ensuring that the ADF case follows industrial principles and that the case has sufficient merit. It is the ADF's preferred option that all matters proceeding to the DFRT for consideration do so as 'agreed matters'. The ADF negotiates with DEWR prior to the hearing to attempt to progress as an agreed case. If the case can be agreed, DEWR will not oppose the ADF's submission at the hearing. Should this not be possible, progressive consultation and negotiations with the parties will lead to a clear definition of the areas of disagreement. If the case is not agreed, additional evidence may be required, and witnesses may be cross-examined. Whether or not the case is agreed, it is ultimately up to the DFRT to make a determination, based on the evidence before it.

DEWR may employ a number of mechanisms in order to fulfil its role:

- a. DEWR may recommend to the ADF that certain categories should be reviewed; and
- b. DEWR may choose to participate in cases brought before the DFRT, either supporting or opposing the ADF position.

PROGRESSING THE CASE

48. **Familiarisation visit.** The case officer will need to see the trade in operation and to verify the information provided, scope possibilities for inspection etc. This is the opportunity to select witnesses for the inspection. Witnesses for each grade within the trade will be selected to explain their role to the DFRT, DEWR and other members on the official inspection of the trade. The inspection is critical if the case is to be successful.

49. **Concurrent Activity.** The sponsor, advised by the case officer, will be required to obtain all supporting documentation that will support the case. This will include civil accreditation, course data sheets, and ADF- and Services-initiated doctrine.

50. **Inspections.** There will usually be a requirement to conduct "on site" inspections as part of a case for pay group change or category restructuring. Inspections are intended to allow the DFRT and other parties to gain additional information that may not be available from submissions made by the ADF, DEWR or other parties appearing before it. Inspections should be structured in a way that allows the DFRT to gain an appreciation of the work and work value of the category under review, and should particularly address those factors which are the basis of the case. Most inspections will require one week of rehearsals, including all unit personnel involved in the inspection, prior to the visit actually occurring. Inspections are disruptive to unit activity and are expensive to conduct. Consequently they need to be

carefully planned. A pre-inspection written and verbal brief should be provided to the DFRT and DEWR prior to the inspection. A copy of the written brief should also be sent to ArFFA, RSL and the Service and sponsors.

51. **Courtbook.** The Courtbook is the document that is submitted to the DFRT as evidence. The Courtbook contains evidence and information concerning the basis of the ADF case such as:

- Propositions
- Industrial History
- Rationale for Change
- Description of trade by grade
- Definitional Frameworks
- Training documentation
- Witness statements
- Inspection report
- Transition plan
- Implementation plan
- Cost of the restructure

52. **Witness statements or affidavits.** Selected personnel will be required to submit a witness statement as part of the courtbook and to (possibly) give evidence before the DFRT. Verbal evidence given on oath or affirmation will carry a great deal of weight, as it will convince the DFRT of the merits of the case. **Sponsors should note that they will be responsible for bearing the cost of travel and subsistence for witnesses brought before hearings, conferences etc, should they be required.**

DFRT HEARING

53. A hearing before the DFRT may take a number of forms:

- a. For agreed cases, both parties may present verbal and documentary evidence supporting the claim. Witnesses may be introduced to assist the DFRT in understanding the matter under consideration. While it is an agreed case, the DFRT will usually require an inspection in order to fully understand the submission and to satisfy itself that the claim is valid.
- b. A case that is not agreed requires argument and evidentiary material to support the work value aspects of the case and to counter evidence produced by the opposing party. The case will generally be viewed more critically by the DFRT and will invariably involve an inspection. The DFRT may call a conference of

the parties in order to identify points of difference and to provide guidance leading towards resolution.

DETERMINATION

54. A draft determination will form part of the courtbook. The determination incorporates such information as the name and grade of the trade by each pay group, a date of effect and the signature blocks for each member of the DFRT. Following the court hearing, the DFRT will sign this determination. It then becomes the legal basis for paying ADF members. By law then each grade of the trade mentioned in this determination must be paid the appropriate pay groups mentioned.

55. The signed determination is sent to the Directorate of Conditions Information and Policy Services and be incorporated into the Pay and Conditions Manual (PACMAN). Copies of the determination will be given to Defence Force Pay Accounting Centre (DEFPAC) and interested parties. DEFPAC will then adjust the salary rate for the relevant personnel, as advised by the category sponsor.

ANNEX A

EMPLOYMENT CATEGORY REVIEW COMMITTEE

CHARTER

Role

1. The Employment Category Review Committee (ECRC) is the principal advisory committee to the ADF on matters relating to the remuneration of employment categories. It advises and makes recommendations as to whether personnel employed within employment categories receive a level of remuneration appropriate to work value, and whether they require review by the Defence Force Remuneration Tribunal (DFRT).

Authority

2. The ECRC 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

3. The membership shall comprise the following:

a. Permanent members.

- (1) Chair, Secretary and other members, as appropriate, representing and endorsed by DMSA-P;
- (2) representatives of DGNPT, DGPERS-A and DGPERS-AF at a minimum equivalent level of Major or APS6; and
- (3) a representative of Workforce Planning, Recruitment and Retention (DGWPRR) appropriate to the Service(s) of the employment category(s) under consideration at each meeting.

b. Invited members. Relevant sponsors of the employment categories under the consideration of the committee are usually invited to attend by their Service representative.

c. Observers. Other interested parties may attend, subject to the limitations of the venue.

Tasks

4. The ECRC has the following tasks:

- a. recommend whether Service proposed changes to levels of remuneration within one or more employment categories are justified;

- b. recommend whether Service endorsed changes to employment category structures are consistent with levels of remuneration awarded to the category by the current DFRT determination(s) applying to the category;
- c. provide final and formal ADF consideration of proposed changes to employment category structures, prior to referral to the DFRT;
- d. where justification exists, refer employment categories to the DFRT to determine appropriate levels of remuneration for the category; and
- e. provide a means to inform the Services of the category related issues of the other Services, facilitating the development of a common approach where possible and appropriate.

Principles

- 5. Each Service has the authority to determine, approve and manage their employment category and training structures.
- 6. The sole authority to approve remuneration, based on Service approved employment category structures, rests with the DFRT.
- 7. The ECRC may make recommendations as to whether the remuneration of employment category structures require review by the DFRT.
- 8. Permanent Service members attend meetings as representatives of their Service. DPE members attend meeting as representatives of their organisations within DPE.
- 9. The ECRC will only consider employment categories that have been nominated by their parent Service, or have been identified by the DFRT for review.
- 10. Specific to Service items heard by the Committee must have been considered by, and achieved the support of their relevant Service prior to the meeting. The expectation is that proposals are both justified and suited to Service needs.
- 11. The recommendations of the Committee will be made by the Chair on the basis of the majority view of the permanent members, with dissenting views reflected in the minutes.

Recommendations

- 12. After its consideration of a matter, the committee will make one or more of the following recommendations:
 - a. **That the matter requires review by DFRT** as the employment category is not receiving an appropriate level of remuneration or is inconsistent with the last formal review or determination by the DFRT. Such a recommendation will initiate a review of the category by the DFRT at the first available opportunity.
 - b. **That there exists no requirement for review by the DFRT** as;
 - (1) The employment category is receiving an appropriate level of remuneration.

- (2) The employment category structure is consistent with the last formal review or determination of the DFRT, and there has been no work value change.

c. **No recommendation.** Such a recommendation would be due to;

- (1) **Insufficient information provided in the submission.** Such a recommendation may entail a future re-submission to the ECRC with additional information.
- (2) **The matter under consideration is inappropriate for Committee recommendation.**

Business rules

13. **Scheduled ECRC meetings.** Meetings will be scheduled consistent with demand. Normally meetings will occur on a fortnightly basis. A schedule of meetings, indicating categories to be considered for referral to DFRT, will be promulgated as a result of the advice and priorities given by the Services. The schedule will be promulgated biannually and amended as necessary.

14. **Scheduling of category matters seeking ECRC recommendation.** The ECRC Secretary will contact the Services in November to request advice of matters to be scheduled before the ECRC in the following year. Additional matters may be scheduled four weeks prior to the intended meeting. When necessary, due to urgency or the existence of a large number of such matters, attempts will be made to accommodate cases at the first available opportunity and additional Committee meetings may also be scheduled.

15. **Programming category matters for review by the DFRT.** DFRT Programming Conferences are held in February, July and December. These conferences confirm the next 12 months of DFRT hearings. A matter will not normally be scheduled with the DFRT unless ECRC recommendation has been obtained a minimum of one month before the Programming Conference.

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

17. **Agenda.** A meeting agenda will be circulated to permanent members three days prior to the scheduled meeting.

18. **Format of submissions.** Written submissions should be produced with a view that their ultimate purpose lies beyond their consideration by the ECRC. The ECRC 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. **Submissions seeking recommendation that the matter requires DFRT consideration.** Where practicable, the ECRC submission should conform to the requirements of a DFRT court book. Further Guidance will be promulgated separately by DMSA-P.
- b. **Submissions seeking recommendation that the matter does not require DFRT consideration.** Submissions seeking ECRC recommendation need only provide

sufficient information for the Committee to be able to properly consider the matter. At a minimum, this should include diagrams of the previous DFRT endorsed and current employment category structure, accompanied by a written comparison sufficient to justify that the two structures are equivalent in work value. Further Guidance will be promulgated separately by DMSA-P.

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

20. **Reporting ECRC recommendations to the DFRT.** DMSA-P will inform the DFRT biannually of the substance of matters where the ECRC has recommended that there is no requirement for review by the DFRT. The DFRT may further test any ECRC recommendation it deems necessary.

21. **ECRC minutes.** Minutes of each meeting require the endorsement of DMSA-P before promulgation. Once endorsed, minutes will be cleared by the Committee at the next meeting and promulgated to addressees.

ANNEX B**EXAMPLE OF THE FORMAT FOR A TYPICAL ECRC (NON-DFRT)
SUBMISSIONS THAT ARE SEEKING RECOMMENDATION THAT DO NOT
REQUIRE DFRT CONSIDERATION OF THE TRADE****Purpose/Recommendation**

1. For audit submissions the recommendation sought from the ECRC will usually be a recommendation that the matter does not require review by the DFRT. The ECRC Charter provides more information on possible recommendations.

Changes / Industrial Background

2. Incorporate what evidence was presented in last case to the DFRT and any changes that were presented to the ECRC (Prior non-DFRT submissions). What did the trade do last time it was reviewed and what does the trade do now. Changes to the structure should be discussed individually, with separate sub-headings for each change, and should discuss in detail what the changes involve. For example, changes to training should include a comparison between the requirements, content and duration of the old and new courses, and any effect on the nature of work value on completion.

3. Discussion should include justification that there is no change in work value that would require review by the DFRT, with reference to previous cases and relevant determinations.

Diagrams

4. Provide a copy of the old (previous) wire diagram (annex D) from reasons for decision (or courtbook if not in reasons) of the previous case.

5. Provide a copy of the new (proposed) structure wire diagram (annex E) highlighting all changes.

Conclusion

6. Statement reinforcing the content of the submission.

ANNEX C

**EXAMPLE OF THE FORMAT FOR A TYPICAL ECRC (DFRT) SUBMISSION
SEEKING RECOMMENDATION THAT THE TRADE REQUIRES REVIEW BY
THE DFRT**

For matters where structural change or pay group placement is being sought, it is important that an operationally sound structure and a sustainable career progression are provided that meets the role and responsibilities of the Service. The following are the essential minimum factors that are required to be considered by the employment category sponsor:

Introduction

1. Provide an outline of what the submission is seeking to achieve.

Industrial background

2. This will include when the trade was last reviewed (this will include details of the last non-DFRT and DFRT submission) and details of how the trade has evolved to its current state. The ECRC Secretary can provide dates and details of earlier reviews, as well as copies of old courtbooks and decisions.

Changes

3. Outline the changes in **nature of work** and provide a comparison between the **current (old) work** and the **proposed (new) work**. This section should provide a detailed description of the roles and responsibilities for each grade, as well as the training, skills and qualifications. This comparison is often best presented in table format.
4. Wire diagrams of the old structure and the new structure should be included as annexes to the submission. They must include career progression, trade courses undertaken, course timings in weeks and pay group placement. Examples are shown at annexes D and E of this guide.

Reserves personnel

5. Sponsor is to provide advice if Reserves are employed in the trade. If so, do they do the same training as a full time member? If not, then a separate wire diagram showing the different training and pay placement is required. Modularised training is a method that Army employs for some of their Reserve trades.

Rationale for change

6. This section should provide justification for the changes from an ADF or relevant Service perspective. For example, legislative change that has led to a change in roles or responsibilities or technology change. Areas that could be considered under separate headings could include:
 - a. expansion of roles or responsibilities,
 - b. changes in capability requirements,
 - c. increased complexity and range of equipment, and

- d. subsequent increases in training.

Personnel

7. Provide numbers of personnel by rank and grade within the structure and what effect this may have on the trade.

Financial resource implications

8. The submission should include an indication of the estimated cost and an indication of financial support by the Service.

Service clearance

9. Service clearance is required as detailed in paragraphs 9 and 10 of the ECRC Charter (Annex A) to this document.

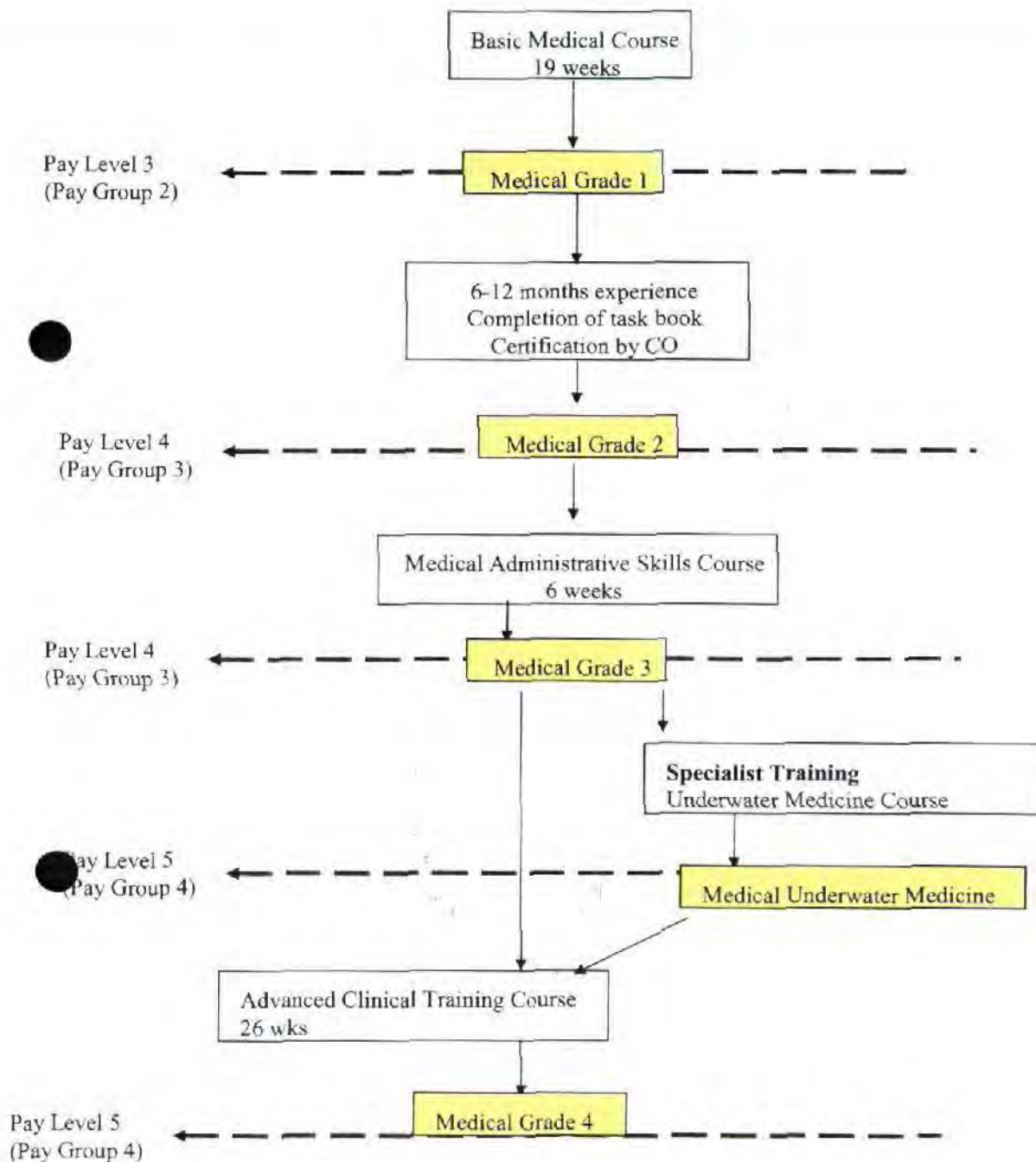
Conclusion

10. Statement reinforcing the content of the submission.

ANNEX D

EXAMPLE OF AN OLD STRUCTURE WIRE DIAGRAM

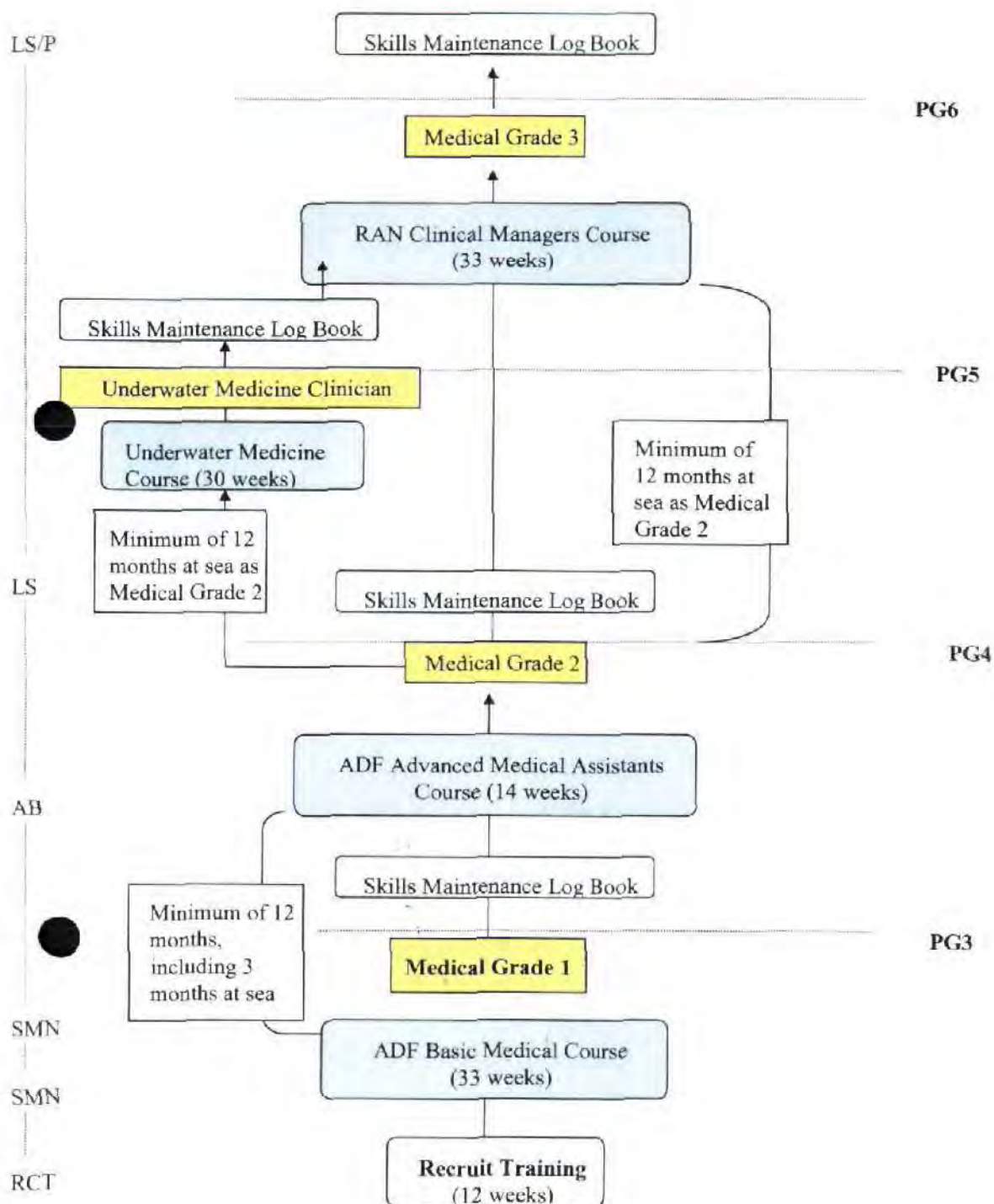
NAVY

MEDICAL ASSISTANTS and UNDERWATER MEDICS
CAREER STRUCTURE AS AT 1993

ANNEX E

EXAMPLE OF A PROPOSED STRUCTURE WIRE DIAGRAM
NAVY MEDICAL ASSISTANT CATEGORY

PROPOSED STRUCTURE



ANNEX F

EXTRACT FROM PRINCIPLE 6 – WORK VALUE CHANGES

Work Value Changes

(a) Changes in work value may arise from changes in the nature of the work, skill and responsibility required or the conditions under which work is performed. Changes in work by themselves may not lead to a change in wage rates. The strict test for an alteration in wage rates is that the change in the nature of the work should constitute such a significant net addition to work requirements as to warrant the creation of a new classification or upgrading to a higher classification.

In addition to meeting this test a party making a work value application will need to justify any change to wage relativities that might result not only within the relevant internal award structure but also against external classifications to which that structure is related. There must be no likelihood of wage leapfrogging arising out of changes in relative position.

These are the only circumstances in which rates may be altered on the ground of work value and the altered rates may be applied only to employees whose work has changed in accordance with this Principle.

(b) In applying the Work Value Changes Principle, the Commission will have regard to the need for any alterations to wage relativities between awards to be based on skill, responsibility and the conditions under which work is performed (s.88B(3)(a)).

(c) Where new or changed work justifying a higher rate is performed only from time to time by persons covered by a particular classification, or where it is performed only by some of the persons covered by the classification, such new or changed work should be compensated by a special allowance which is payable only when the new or changed work is performed by a particular employee and not by increasing the rate for the classification as a whole.

(d) Care should be exercised to ensure that changes which were or should have been taken into account in any previous work value adjustments or in a structural efficiency exercise are not included in any work evaluation under this Principle.

(e) Where the tests specified in (a) are met, an assessment will have to be made as to how that alteration should be measured in monetary terms. Such assessment will normally be based on the previous work requirements, the wage previously fixed for the work and the nature and extent of the change in work.

(f) The expression "*the conditions under which the work is performed*" relates to the environment in which the work is done.

(g) The Commission will guard against contrived classifications and over-classification of jobs.

(h) Any changes in the nature of the work, skill and responsibility required or the conditions under which the work is performed, taken into account in assessing an increase under any other principle of this Statement of Principles, will not be taken into account under this Principle.

Table B1: Current OR Salary Structure

Annex B to
RRP Phase 4
05 Dec 06

	PG 1	PG 2	PG 3	PG 4	PG 5	PG 6	PG 7
WO2 (E)	54808	56217	57067	57914	58758	59610	60441
	54265	55661	56499	57341	58181	59018	59839
	53181	54551	55375	56197	57018	57839	58643
SSGT	50346	51657	52963	54275	55584	56892	58202
SGT (E)	46445	47652	48858	50065	51274	52481	53686
	45988	47182	48377	49571	50766	51962	53158
	45071	46237	47410	48580	49751	50924	52093
CPL (E)	40454	42068	43685	45300	46918	48533	50154
	40053	41655	43251	44854	46455	48055	49654
	39252	40821	42391	43960	45531	47096	48669
LCPL (E)	36069	38038	40012	41984	43955	45924	47898
PTE(P) (E)	35371	37304	39239	41173	43104	45036	46971
PTE (E)	34689	36585	38481	40375	42271	44166	46063

Table B2: Differentials between Pay Groups under current OR Remuneration Structure

	PG 1	PG 2	PG 3	PG 4	PG 5	PG 6	PG 7
WO2 (E)	97.00%	98.50%	(SGT + 17%)	101.50%	103.00%	104.50%	106.00%
	97.00%	98.50%	(WO2 - 1%)	101.50%	103.00%	104.50%	106.00%
	97.00%	98.50%	(WO2 - 2%)	101.50%	103.00%	104.50%	106.00%
SSGT (E)	95.00%	97.50%	(Mid Point SGT- WO2)	102.50%	105.00%	107.50%	110.00%
SGT (E)	95.00%	97.50%	(CPL + 12%)	102.50%	105.00%	107.50%	110.00%
	95.00%	97.50%	(SGT - 1%)	102.50%	105.00%	107.50%	110.00%
	95.00%	97.50%	(SGT - 2%)	102.50%	105.00%	107.50%	110.00%
CPL (E)	92.50%	96.25%	(PTE(P) + 11.5%)	103.75%	107.50%	111.25%	115.00%
	92.50%	96.25%	(CPL - 1%)	103.75%	107.50%	111.25%	115.00%
	92.50%	96.25%	(CPL - 2%)	103.75%	107.50%	111.25%	115.00%
LCPL	90.00%	95.00%	(PTE(P) + 2%)	105.00%	110.00%	115.00%	120.00%
PTE(P) (E)	90.00%	95.00%	(PTE + 2%)	105.00%	110.00%	115.00%	120.00%
PTE (E)	90.00%	95.00%		105.00%	110.00%	115.00%	120.00%

Table B3: ADF Permanent Members in each Pay Group

	PG 1	PG 2	PG 3	PG 4	PG 5	PG 6	PG 7
WO1(E)	0	13	213	188	484	262	58
WO2 (E)	0	8	729	567	1282	822	76
SSGT	0	0	26	18	6	0	0
SGT (E)	6	10	1304	1413	1773	890	59
CPL (E)	19	129	2575	2450	3040	276	0
PTE(P) (E) LCPL	75	2230	6795	3581	1336	1	0
PTE (E)	10	1671	1070	242	9	0	0
Total	110	4061	12712	8459	7930	2251	193
As %	0.31%	11.37%	35.59%	23.68%	22.20%	6.30%	0.54%
Note: WO1(E) Figures are pre 5 Oct 06.						Total	35716

Chart B1: Personnel by PG

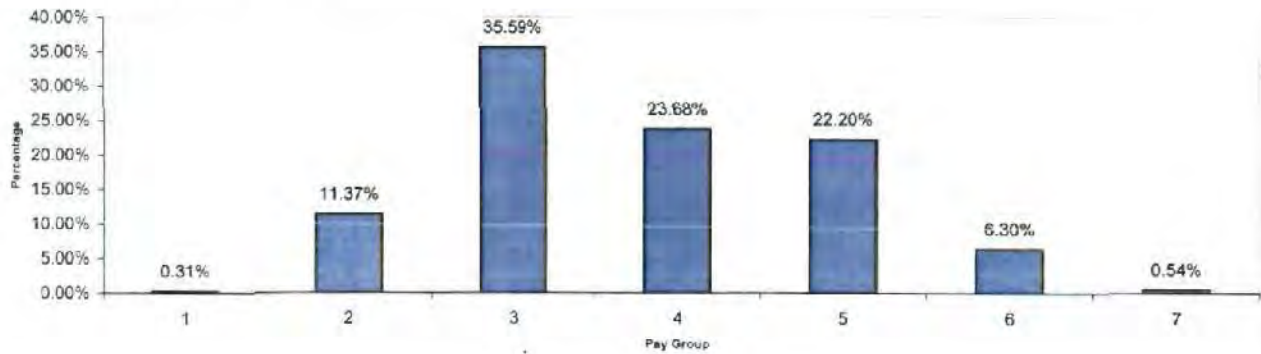


Chart B2: Pay Group by Rank

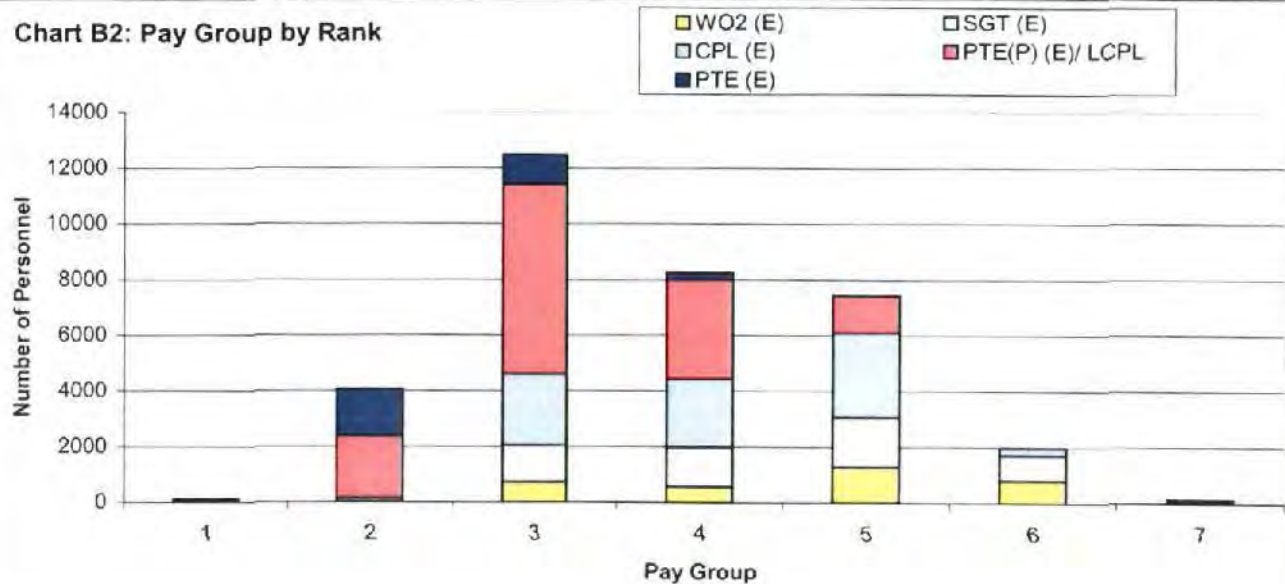


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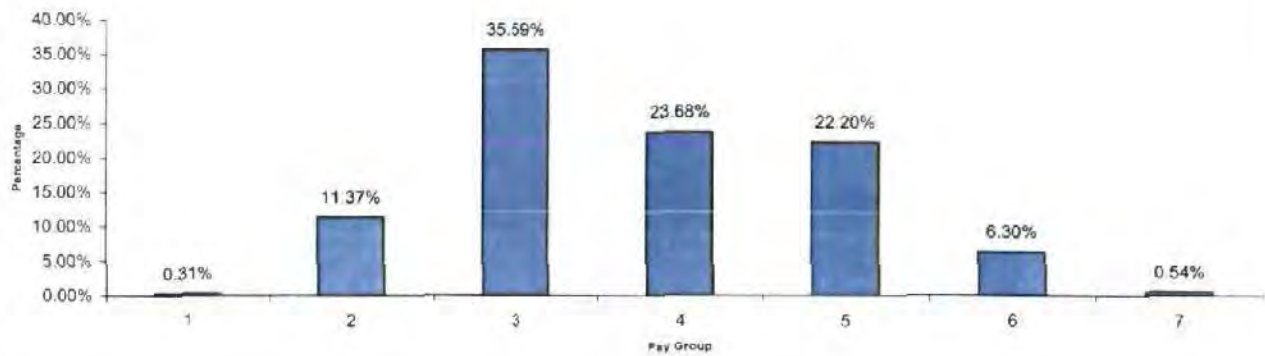


Chart B2: Pay Group by Rank

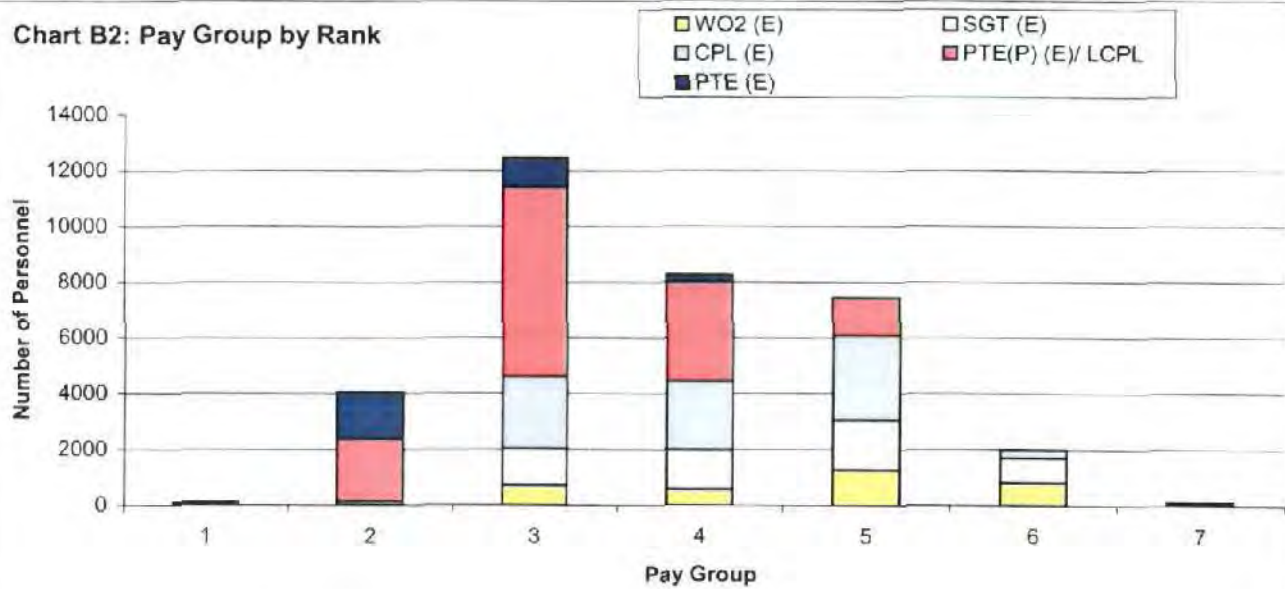


Table C1: OR Members in Receipt of Q&S Elements of Allowances

Annex C to
RRP Phase 4
5 Dec 06

	PG 1	PG 2	PG 3	PG 4	PG 5	PG 6	PG 7	Total
WO2 (E)	0	0	4	56	99	133	2	294
SSGT	0	0	0	1	0	0	0	1
SGT (E)	0	0	9	48	157	141	0	355
CPL (E)	0	1	22	248	229	21	0	521
LCPL (E)	0	4	42	65	62	0	0	173
PTE(E)	0	48	130	209	36	0	0	423
Total	0	53	207	627	583	295	2	1767

Chart C1: OR's with Q&S by Pay Group

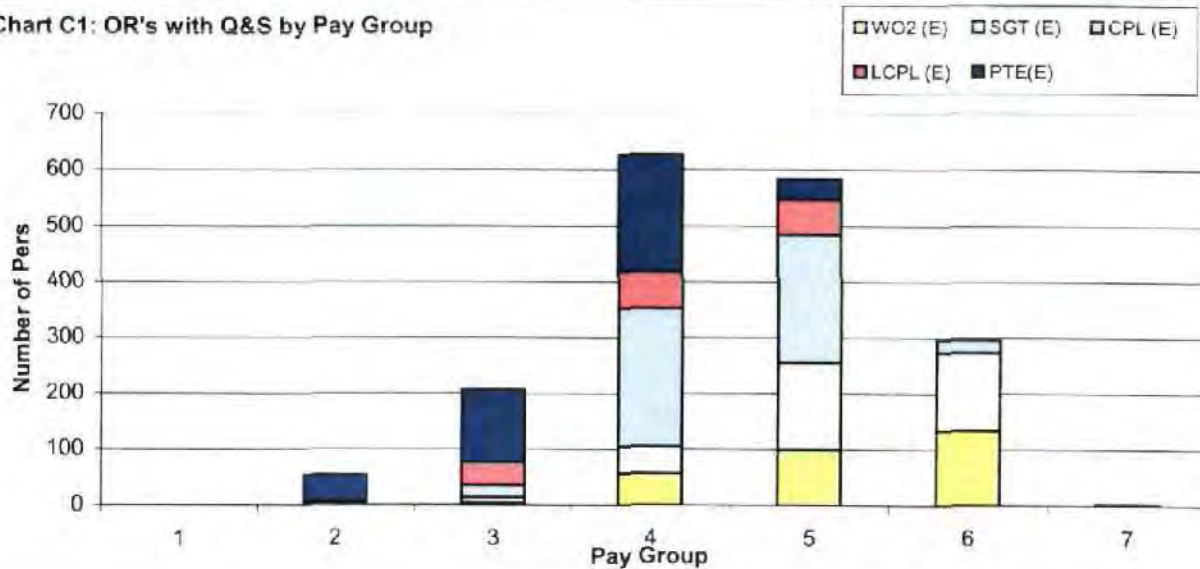
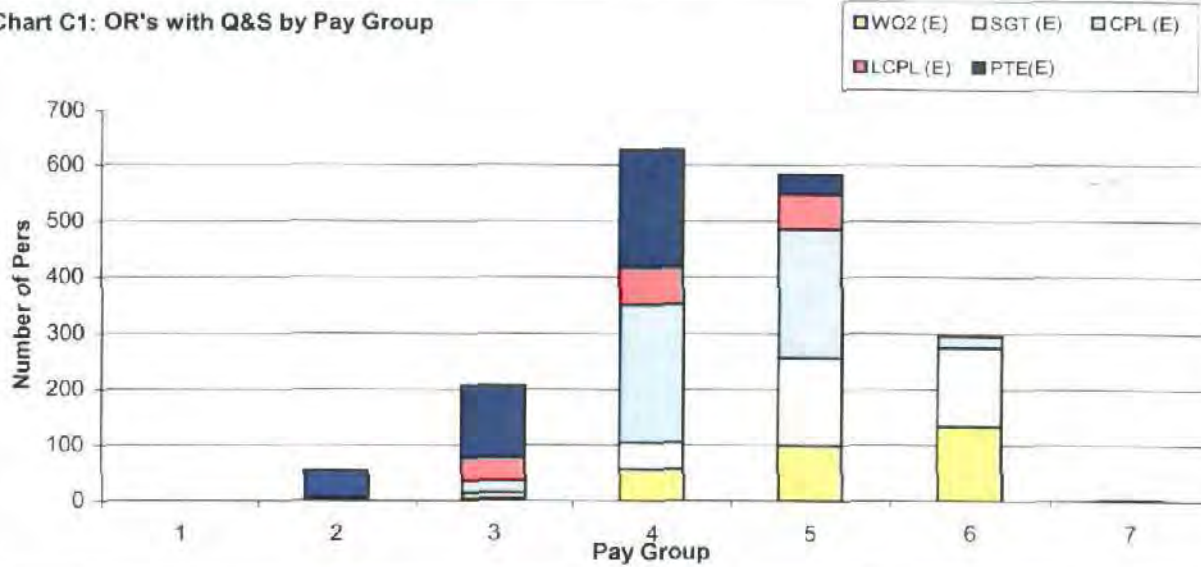


Table C1: OR Members in Receipt of Q&S Elements of Allowances

Annex C to
RRP Phase 4
Submission 5 Dec 06

	PG 1	PG 2	PG 3	PG 4	PG 5	PG 6	PG 7	Total
WO2 (E)	0	0	4	56	99	133	2	294
SSGT	0	0	0	1	0	0	0	1
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Chart C1: OR's with Q&S by Pay Group



Other Ranks Remuneration Structure Review Terms of Reference for Project Team

Background

As part of the Remuneration Reform Project, which predominantly involves the introduction of a flexible, graded structure for Officers, the Australian Defence Force had proposed a review of the remuneration structure for Other Rank members. In its Reasons for Decision released earlier this year, the Defence Force Remuneration Tribunal expressed its desire for an expedient review of Other Rank remuneration seeking a submission on this matter by the end of the September quarter 2006.

An initiative of the Remuneration Reform Project (which was recommended in the Nunn Review of Defence Remuneration 2001) was to include the major qualifications and skills allowances into the salary amount for superannuation purposes. The allowances included the qualifications and skills elements of Flying Allowance, Specialist Operations Allowance, Submarine Service Allowance and Special Action Forces Allowance. The second reform in relation to officers was to absorb these allowances into salary rates using them as benchmarks in the establishment of a graded remuneration structure. Previously Officers were paid on a common scale whereby rank was the only determinant of base salary. Under the graded structure, Officers are now remunerated on the basis of both rank and specialist skills.

The Other Ranks workforce already has a graded structure in place for the recognition of rank and specialist trade skills. However, while for the Other Ranks workforce, the same salary-related allowances have been made superannuable, these continue to exist separately from the salary rates.

Purpose

The Project Team will develop, research and evaluate workable options for the absorption of the qualifications and skills elements of Flying Allowance, Specialist Operations Allowance, Submarine Service Allowance and Special Action Forces Allowance into the OR remuneration structure. The Project Team will construct a set of options with an explanation of associated advantages and disadvantages which are to be presented for formal consideration of Defence and DEWR. Depending on the outcomes of the clearance process, a joint submission on an agreed option would be presented to the DFRT by the end of September 2006.

Personnel

The Project Team shall consist of representatives from the ADF and Department of Employment and Workplace Relations as well as Consultants from Livingstones Australia. Livingstones Australia has been engaged to participate in the research and deliberations of the Project Team as well as facilitating and coordinating its work. The individuals involved are as follows:

s47F (ADF)

s47F (ADF)

s47F (DEWR)

s47F (DEWR)

s47F [redacted] Australia)

s47F [redacted] Australia)

Additional personnel from all three organisations may be called on as required to undertake research and analysis tasks to assist the Project Team.

Primary Aims

All options considered must involve the absorption of the qualifications and skills elements of Flying Allowance, Specialist Operations Allowance, Submarine Service Allowance and Special Action Forces Allowance to achieve consistency with the new graded structure for Officers. In doing so it may be possible to achieve further enhancements to the Other Ranks remuneration structure.

In order to achieve an agreed set of options, consistency with the policies of the Australian Government is imperative. In assessing the options canvassed, the staff of Defence and DEWR on the Project Team will advise on the adherence to the Australian Government's Defence and Workplace Relations policies respectively (for example, the Defence White Paper).

Selection Criteria

With regard to the primary aims outlined above, the following specific selection criteria are to be considered in assessing the advantages and disadvantages of the options:

1. The degree to which the structure maintains work value relativities consistent with the wider ADF remuneration structure.
2. The estimated cost of implementation and maintenance of the structure.
3. The degree of acceptance (anticipated or actual) from other relevant stakeholders including:
 - a. Army, Navy and Air Force; and
 - b. External stakeholders.
4. The level of compatibility with career management within the OR workforce, including the following considerations:
 - a. the principle that career management should guide the design of remuneration structures rather than the reverse;
 - b. the impact of the structure on superannuation; and
 - c. the capacity to simplify and expedite process of DFRT reviews both in terms of the number of cases and the process for each case

5. The implementation process including the following considerations:
 - a. minimising the time and resources involved;
 - b. ensuring there is no adverse impact on attraction and retention;
 - c. suitability within relevant legal constraints (for example, superannuation);
and
 - d. ensuring no disadvantage to ADF members in terms of salary and superannuation.

6. The capacity to absorb certain s.58B allowances used to supplement salary in response to certain attraction and retention and qualifications and skills issues.

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An initiative of the Remuneration Reform Project (which was recommended in the Nunn Review of Defence Remuneration 2001) was to include the major qualifications and skills allowances into the salary amount for superannuation purposes. The allowances included the qualifications and skills elements of Flying Allowance, Specialist Operations Allowance, Submarine Service Allowance and Special Action Forces Allowance. The second reform in relation to officers was to absorb these allowances into salary rates using them as benchmarks in the establishment of a graded remuneration structure. Previously Officers were paid on a common scale whereby rank was the only determinant of base salary. Under the graded structure, Officers are now remunerated on the basis of both rank and specialist skills.

The Other Ranks workforce already has a graded structure in place for the recognition of rank and specialist trade skills. However, while for the Other Ranks workforce, the same salary-related allowances have been made superannuable, these continue to exist separately from the salary rates.

Purpose

The Project Team will develop, research and evaluate workable options for the absorption of the qualifications and skills elements of Flying Allowance, Specialist Operations Allowance, Submarine Service Allowance and Special Action Forces Allowance into the OR remuneration structure. The Project Team will construct a set of options with an explanation of associated advantages and disadvantages which are to be presented for formal consideration of Defence and DEWR. Depending on the outcomes of the clearance process, a joint submission on an agreed option would be presented to the DFRT by the end of September 2006.

Personnel

The Project Team shall consist of representatives from the ADF and Department of Employment and Workplace Relations as well as Consultants from Livingstones Australia. Livingstones Australia has been engaged to participate in the research and deliberations of the Project Team as well as facilitating and coordinating its work. The individuals involved are as follows:

s47F (ADF)

s47F (ADF)

s47F (DEWR)

s47F (DEWR)

s47F [redacted] Australia)

s47F [redacted] Australia)

Additional personnel from all three organisations may be called on as required to undertake research and analysis tasks to assist the Project Team.

Primary Aims

All options considered must involve the absorption of the qualifications and skills elements of Flying Allowance, Specialist Operations Allowance, Submarine Service Allowance and Special Action Forces Allowance to achieve consistency with the new graded structure for Officers. In doing so it may be possible to achieve further enhancements to the Other Ranks remuneration structure.

In order to achieve an agreed set of options, consistency with the policies of the Australian Government is imperative. In assessing the options canvassed, the staff of Defence and DEWR on the Project Team will advise on the adherence to the Australian Government's Defence and Workplace Relations policies respectively (for example, the Defence White Paper).

Selection Criteria

With regard to the primary aims outlined above, the following specific selection criteria are to be considered in assessing the advantages and disadvantages of the options:

1. The degree to which the structure maintains work value relativities consistent with the wider ADF remuneration structure.
2. The estimated cost of implementation and maintenance of the structure.
3. The degree of acceptance (anticipated or actual) from other relevant stakeholders including:
 - a. Army, Navy and Air Force; and
 - b. External stakeholders.
4. The level of compatibility with career management within the OR workforce, including the following considerations:
 - a. the principle that career management should guide the design of remuneration structures rather than the reverse;
 - b. the impact of the structure on superannuation; and
 - c. the capacity to simplify and expedite process of DFRT reviews both in terms of the number of cases and the process for each case

5. The implementation process including the following considerations:
 - a. minimising the time and resources involved;
 - b. ensuring there is no adverse impact on attraction and retention;
 - c. suitability within relevant legal constraints (for example, superannuation);
and
 - d. ensuring no disadvantage to ADF members in terms of salary and superannuation.

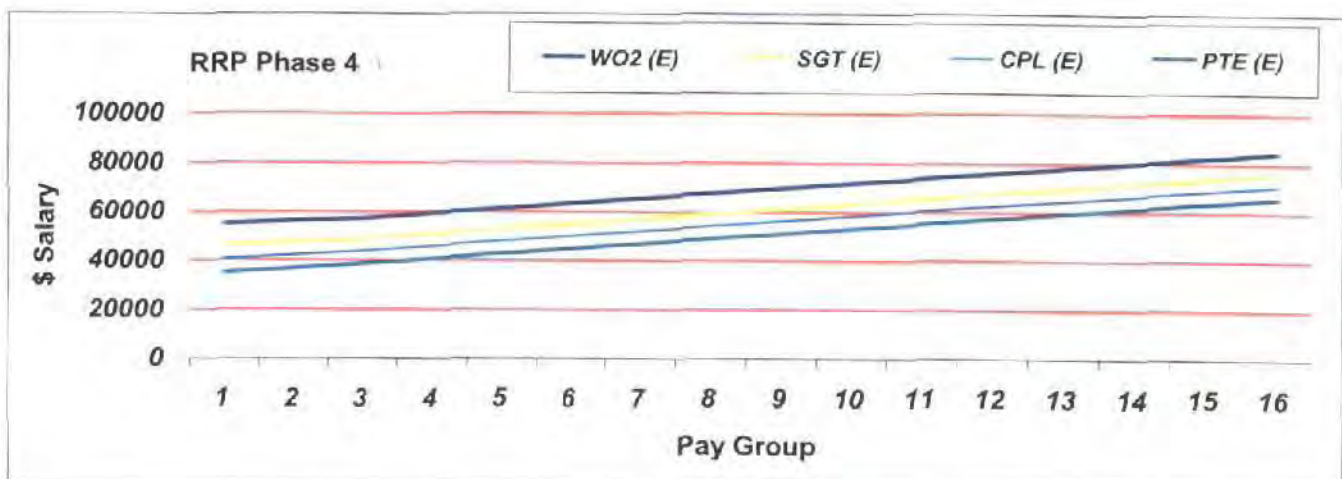
6. The capacity to absorb certain s.58B allowances used to supplement salary in response to certain attraction and retention and qualifications and skills issues.

Annex E to
RRP Phase 4
5 Dec 06

Table E2: Placement of Personnel with Q&S Allowance

Q&S Element	Rate	Diff	Pers	Band	Placement	Cost	Remarks
SAFA: 152 Sqn	\$1,830	\$254	57	2,084	+ 1 PG	\$14,478	Placed in PG 4-5 (new differential negates detriment)
SOA Item 2A:	\$1,830	\$254	122	2,084		\$30,988	
SOA Item 4: 126	\$1,830	\$254	45	2,084		\$11,430	
SOA Item 14: IRR	\$1,830	\$254	103	2,084		\$26,162	
SOA Item 24: 301	\$1,830	\$254	2	2,084		\$508	
FA: less than 2	\$2,062	\$22	76	2,084		\$1,672	
SOA Item 15: IRR	\$3,050	\$1,118	79	4,168	+ 2 PG	\$88,322	
SOA Item 3: Qual	\$3,662	\$506	145	4,168		\$73,370	
FA: 2 - 4 years	\$4,543	\$375	79	4,168		\$29,625	
SOA Item 6: CD qual	\$4,270	\$1,982	127	6,252	+ 3 PG	\$251,714	
FA: 4-6 years	\$6,194	\$58	57	6,252		\$3,306	
SOA Item 7: CD	\$6,833	\$1,503	35	8,336	+ 4 PG	\$52,605	
SOA Item 1: Train TAG	\$7,325	\$1,011	0	8,336		\$0	
FA: 6-8 years	\$7,847	\$489	38	8,336		\$18,582	
SSA	\$8,840	\$1,580	373	10,420	+ 5 PG	\$589,340	
FA: 8-10 years	\$9,498	\$922	20	10,420		\$18,440	
SAFA: Trainee SF	\$10,370	\$50	39	10,420		\$1,950	
SOA Item 2: Qual	\$10,370	\$50	92	10,420		\$4,600	
FA: 10+ years	\$11,200	\$1,304	53	12,504	+ 6 PG	\$69,112	
SAFA Qual SF	\$18,301	\$455	225	18,756	+ 9 PG	\$102,375	
Total Cost						\$1,329,329	

Chart E1: Graphical Display of 16 Pay Group Structure



Annex F to
RRP Phase 4
5 Dec 06

Table F1: Differential Placement of WO1(E)

OR Pay Group	\$	WO1(E) PG	\$	Increase \$	Increase %	Number
1	54808	1	58242	\$ 3,434	6.3%	0
2	56217	2	61414	\$ 5,197	9.2%	13
3	57067	2	61414	\$ 4,347	7.6%	213
4	59151	2	61414	\$ 2,263	3.8%	188
5	61235	3	65514	\$ 4,279	7.0%	484
6	63319	3	65514	\$ 2,195	3.5%	262
7	65403	4	69614	\$ 4,211	6.4%	58
8	67487	4	69614	\$ 2,127	3.2%	TBC
9	69571	5	73714	\$ 4,143	6.0%	TBC
10	71655	5	73714	\$ 2,059	2.9%	TBC
11	73739	6	77814	\$ 4,075	5.5%	TBC
12	75823	6	77814	\$ 1,991	2.6%	TBC
13	77907	7	81914	\$ 4,007	5.1%	TBC
14	79991	7	81914	\$ 1,923	2.4%	TBC
15	82075	8	86014	\$ 3,939	4.8%	TBC
16	84159	8	86014	\$ 1,855	2.2%	TBC
Total						1218

Note: TBC = To be confirmed

NEW OTHER RANKS PLACEMENT CRITERIA / PRINCIPLES

**TO BE JOINTLY DEVELOPED BY THE ADF AND
COMMONWEALTH AND SUBMITTED TO THE DEFENCE
FORCE REMUNERATION TRIBUNAL BY THE FIRST
QUARTER OF 2007**

Part A - Navy

Permanent and Reserve members

**Pay group applicable to employment category of member
[Schedule X to DFRT Determination No X of 2006]**

Part A: Navy

Pay Group 1

.....

Pay Group 2

Air Tech Weapons Electrical Grade 1 (SSGE)
Air Technical Aircraft Grade 1 (SSAE)
Air Technical Communications Grade 1 (SSGE)
Air Technical Weapons Ordnance
Dental Den(T)
Dental
Dental Assistant Den1
Electrical Technical Power Grade 1 (SSAE)
Boatswains Mate Grade 1
Diver
Underwater Weapons
Cook Grade 1
Motor Transport Driver Grade 1
Steward Grade 1
Steward Grade 2
Steward Grade 3
Stores Naval Grade 1
Writer Grade 1
Electrical Tech Comms Grade 1 (SSGE)
Electrical Technical Weapons Grade 1 (SSGE)
Electronic Technical Systems Grade 1 (SSGE)

Pay Group 3

Communications/Info Systems Grade 1
Dental Den(H)
Dental Assistant Den2
Dental Hygienist Denh Grade 1
Medical Grade 1
Electrical Technical Power Grade 1 (SSGE)
Marine Technical Propulsion Grade 2 (SSGE)
Marine Technician Grade 1
Musician Grade 1
Acoustic Warfare Analyst Grade 1
Boatswain
Boatswains Mate Grade 2
Boatswains Mate Grade 3
Combat Sys Oper (Mine Warfare) Grade 1
Combat Systems Oper (Asw/Asac) Grade 1
Electronic Warfare Analyst Grade 1
Fire Fighter
Hydrographic Survey Operator Grade 1
Marine Science Grade 1
Mine Warfare
Naval Police Coxswain Grade 1
Physical Trainer

Part A - Navy

Shipping Control
Survival Equipment
Underwater Control Skill Grade N/A
Cook Grade 2
Cook Grade 3
Cook Grade 4
Motor Transport Driver Grade 2
Steward Grade 4
Steward Grade 5
Stores Naval Grade 2
Stores Naval Grade 3
Stores Naval Grade 4
Writer Grade 2
Writer Grade 3
Writer Grade 4
Electronic Technician Grade 1

Pay Group 4

Air Tech Weapons Electrical Grade 2 (SSAE)
Air Tech Weapons Electrical Grade 2 (SSGE)
Air Technical Aircraft Grade 2 (SSGE)
Air Technical Communications Grade 2 (SSGE)
Aircrew Grade 1
Aviation Technician Aircraft Grade 1
Aviation Technician Avionics Grade 1
Photographer Grade 1
Communications/Info Systems Grade 2
Electronic Warfare Linguist Grade 1
Electronic Warfare Technical Grade 1
Electronic Warfare Technical Grade 2
Radio Operator Teletype
Signals Yeoman Pay Group 2
Signals Yeoman
Photography Grade 1
Dental DEN(H)
Dental Hygienist DENH Grade 2
Dental Supervisor DENS
Medical Med 2
Electrical Technical Power Grade 2 (SSGE)
Marine Technical Hull Grade 2 (SSGE)
Marine Technical Propulsion Grade 3 (SSAE)
Marine Technician Grade 2
Musician Grade 2
Acoustic Warfare Analyst Grade 2
Clearance Diver Grade 1
Combat Sys Oper (Mine Warfare) Grade 2
Combat Systems Oper (ASW/ASAC) Grade 2
Electronic Warfare Analyst Grade 2
Hydrographic Survey Manager Grade B
Hydrographic Survey Operator Grade 1 (FA 0-2)
Hydrographic Survey Operator Grade 2
Marine Science Grade 2
Naval Police Coxswain Grade 2
Cook Grade 5
Stores Naval Grade 5
Writer Grade 5
Electrical Tech Comms Grade 2 (SSGE)
Electrical Technical Weapons Grade 2 (SSGE)

Electronic Technical Systems Grade 2 (SSGE)
Electronic Technician Grade 2
Work Study

Pay Group 5

Air Tech Weapons Electrical Grade 3 (SSAE)
Air Tech Weapons Electrical Grade 3 (SSGE)
Air Technical Aircraft Grade 3 (SSAE)
Air Technical Aircraft Grade 3 (SSGE)
Air Technical Communications Grade 3 (SSAE)
Air Technical Communications Grade 3 (SSGE)
Aircrew Grade 1 (FA 0-2)
Aircrew Grade 2
Aviation Technician Aircraft Grade 2
Aviation Technician Avionics Grade 2
Naval Air Traffic Control Grade 2
Photographer Grade 2
Communications/Info Systems Grade 3
Electronic Warfare Linguist Grade 2
Electronic Warfare Operator
Electronic Warfare Systems
Electronic Warfare Technical Grade 3
Electronic Warfare Technical
Radio Operator
Photography Grade 2
Radio Op/Supervisor Electronic
Radio Oper Special (Operator)
Radio Supervisor/Oper Special
Dental Manager DENM
Dental Technician
Medical Med 2 UMC
Electrical Technical Power Grade 3 (SSGE)
Marine Technical Hull Grade 3 (SSGE)
Marine Technical Propulsion Grade 3 (SSGE)
Marine Technician Grade 3
Musician Grade 3
Acoustic Warfare Analyst Grade 3
Clearance Diver Grade 2
Combat Sys Mgr (Mine Warfare)
Combat Sys Supervisor (ASW/ASAC)
Combat Syst Supv (Mine Warfare)
Combat System Manager
Combat Systems Oper (ASW/ASAC) Grade 2
Combat Systems Oper (ASW/ASAC) Grade 3
Combat Systems Operator Grade 3
Combat Systems Supervisor
Combat System Mgr (ASW/ASAC)
Diver SOA Item 6: CD Qual
Electronic Warfare Analyst Grade 3
Hydrographic Survey Manager Grade A
Hydrographic Survey Manager Grade B (FA 0-2)
Hydrographic Survey Operator Grade 1 (FA 2-4)
Hydrographic Survey Operator Grade 2 (FA 0-2)
Hydrographic Survey Operator Grade 3
Marine Science Grade 3
Meteorologist
Electrical Tech Comms Grade 3 (SSGE)
Electrical Technical Weapons Grade 3 (SSGE)

Electronic Technical Systems Grade 3 (SSGE)
Electronic Technician Grade 3
Electronic Warfare Processor

Pay Group 6

Aircrew (FA 2-4)
Aircrew (FA 0-2)
Aircrew (Grade 3)
Aviation Technician Aircraft (Grade 3)
Aviation Technician Aircraft (Grade 4)
Aviation Technician Aircraft (Grade 5)
Aviation Technician Avionics (Grade 3)
Aviation Technician Avionics (Grade 4)
Aviation Technician Avionics (Grade 5)
Communications/Info Systems (Grade 4)
Communications/Info Systems (Grade 5)
Electronic Warfare Linguist (Analyst)
Electronic Warfare Linguist (General)
Electronic Warfare Technical (Analyst)
Medical (Med 3)
Electrical Technical Power (Grade 4 (SSGE))
Electrical Technical Power (Grade 5 (SSGE))
Marine Technical Hull (Grade 4 (SSGE))
Marine Technical Hull (Grade 5 (SSGE))
Marine Technical Propulsion (Grade 4 (SSGE))
Marine Technical Propulsion (Grade 5 (SSGE))
Marine Technician (Grade 4)
Marine Technician (Grade 5)
Clearance Diver (Grade 3)
Combat System Manager (FA 0-2)
Electronic Warfare Analyst (Grade 4)
Hydrographic Survey Manager (FA 0-2)
Hydrographic Survey Manager (FA 2-4)
Hydrographic Survey Operator (FA 4-6)
Hydrographic Survey Operator (FA 2-4)
Hydrographic Survey Operator (FA 0-2)
Electrical Tech Comms (Grade 4 (SSGE))
Electrical Tech Comms (Grade 5 (SSGE))
Electrical Technical Weapons (Grade 4 (SSGE))
Electrical Technical Weapons (Grade 5 (SSGE))
Electronic Technical Systems (Grade 4 (SSGE))
Electronic Technical Systems (Grade 5 (SSGE))
Electronic Technician (Grade 4)
Electronic Technician (Grade 5)

Pay Group 7

Aircrew Grade 1 (FA 4-6)
Aircrew Grade 2 (FA 2-4)
Aircrew Grade 3 (FA 0-2)
Electronic Warfare Linguist Manager
Electronic Warfare Linguist Specialist
Electronic Warfare Manager Skill Grade N/A
Electronic Warfare Technical Manager
Electronic Warfare Technical Specialist
Boatswains Mate Grade 1 SM
Clearance Diver Grade 1 SOA Item 6: CD Qual

Combat System Manager FA 2-4
Hydrographic Survey Manager Grade A (FA 2-4)
Hydrographic Survey Manager Grade B (FA 4-8)
Hydrographic Survey Operator Grade 1 (FA 6-8)
Hydrographic Survey Operator Grade 2 (FA 4-8)
Hydrographic Survey Operator Grade 3 (FA 2-4)
Underwater Weapons Skill Grade N/A
Steward Grade 2 SM
Steward Grade 3 SM
Electronic Technical Systems Grade 1 (SSGE)

Pay Group 8

Aircrew Grade 1 (FA 6-8)
Aircrew Grade 2 (FA 4-6)
Aircrew Grade 3 (FA 2-4)
Communications/Info Systems Grade 1 SM
Marine Technician Grade 1 SM
Acoustic Warfare Analyst Grade 1 SM
Boatswain SM
Boatswains Mate Grade 2 SM
Boatswains Mate Grade 3 SM
Clearance Diver Grade 1 SOA Item 7: CD Qual Adv
Clearance Diver Grade 1 SOA Item 1: Train TAG
Clearance Diver Grade 1 SOA Item 8: CD Qual
Combat System Manager FA 4-6
Hydrographic Survey Manager Grade A (FA 4-6)
Hydrographic Survey Manager Grade B (FA 6-8)
Hydrographic Survey Operator Grade 1 (FA 8-10)
Hydrographic Survey Operator Grade 2 (FA 6-8)
Hydrographic Survey Operator Grade 3 (FA 4-6)
Physical Trainer PT SM
Cook Grade 3 SM
Cook Grade 4 SM
Steward Grade 4 SM
Electronic Technician Grade 1 SM

Pay Group 9

Aircrew Grade 1 (FA 8-10)
Aircrew Grade 2 (FA 6-8)
Aircrew Grade 3 (FA 4-6)
Communications/Info Systems Grade 2 SM
Electronic Warfare Technical Grade 2 SM
Medical Med 2 SM
Marine Technical Propulsion Grade 2 (SSGE)
Marine Technician Grade 2 SM
Acoustic Warfare Analyst Grade 2 SM
Clearance Diver Grade 1 SOA Item 2: Qual TAG
Clearance Diver Grade 1 SOA Item 7: CD Qual Adv
Clearance Diver Grade 1 SOA Item 1: Train TAG
Clearance Diver Grade 1 SOA Item 8: CD Qual
Combat System Manager FA 6-8
Electronic Warfare Analyst Grade 2 SM
Electronic Warfare Analyst Skill Grade N/A
Hydrographic Survey Manager Grade A (FA 6-8)
Hydrographic Survey Manager Grade B (FA 8-10)
Hydrographic Survey Operator Grade 1 (FA 10+)

Part A - Navy

Hydrographic Survey Operator Grade 2 (FA 8-10)
Hydrographic Survey Operator Grade 3 (FA 8-8)
Naval Police Coxswain Grade 2 SM
Cook Grade 5 SM
Electronic Technical Systems Grade 2 SM (SSGE)
Electronic Technician Grade 2 SM

Pay Group 10

Aircrew Grade 1 (FA 10+)
Aircrew Grade 2 (FA 8-10)
Aircrew Grade 3 (FA 6-8)
Photographer Phot SM
Communications/Info Systems Grade 3 SM
Electronic Warfare Linguist Grade 2 SM
Electronic Warfare Technical Grade 3 SM
Radio Operator Skill Grade N/A SM
Marine Technical Propulsion Grade 3 (SSGE)
Marine Technician Grade 3 SM
Acoustic Warfare Analyst Grade 3 SM
Clearance Diver Grade 1 SOA Item 2: Qual TAG
Clearance Diver Grade 1 SOA Item 7: CD Qual Adv
Clearance Diver Grade 1 SOA Item 1: Train TAG
Combat System Manager FA 8-10
Electronic Warfare Analyst Grade 3 SM
Hydrographic Survey Manager Grade A (FA 8-10)
Hydrographic Survey Manager Grade B (FA 10+)
Hydrographic Survey Operator Grade 2 (FA 10+)
Hydrographic Survey Operator Grade 3 (FA 8-10)
Electronic Technical Systems Grade 3 (SSGE)
Electronic Technician Grade 3 SM

Pay Group 11

Aircrew Grade 2 (FA 10+)
Aircrew Grade 3 (FA 8-10)
Communications/Info Systems Grade 4 SM
Electronic Warfare Linguist General SM
Electronic Warfare Technical Analyst SM
Medical Grade 3 SM
Marine Technical Propulsion Grade 4 (SSGE)
Marine Technical Propulsion Grade 5 (SSGE)
Marine Technician Grade 4 SM
Marine Technician Grade 5 SM
Clearance Diver Grade 1 SOA Item 2: Qual TAG
Combat System Manager (FA 10+)
Electronic Warfare Analyst Grade 4 SM
Hydrographic Survey Manager Grade A (FA 10+)
Hydrographic Survey Operator Grade 3 (FA 10+)
Electronic Technical Systems Grade 4 (SSGE)
Electronic Technical Systems Grade 5 (SSGE)
Electronic Technician Grade 4 SM
Electronic Technician Grade 5 SM

Pay Group 12

Aircrew Grade 3 (FA 10+)

Part A - Navy

Electronic Warfare Manager SM
Electronic Warfare Technical Specialist SM

Pay Group 13

Pay Group 14

Pay Group 15

Pay Group 16

s22

Part A1: Navy Warrant Officer

Pay Group 1
Pay Group 2
Pay Group 3
Pay Group 4
Pay Group 5
Pay Group 6
Pay Group 7
Pay Group 8

Part B - Army

s22

Part B: Army**Pay Group 1**

Air Dispatcher
Assistant Deckhand
Cargo Specialist
Clerk Administrative
Combat Engineer
Combat Medical Attendant Grade 1
Crewman
Driver
Gunner Grade Provisional
Handler Petroleum
Local Observer
Operator Artillery Meteorology
Operator Movements
Operator Petroleum
Operator Radar Provisional
Operator Supply
Patrolman
Rifleman
Signaller Combat Grade 1
Steward

Pay Group 2

Air Dispatcher Grade 1
Assistant Dental Grade 1
Assistant Instructor
Cargo Specialist Grade 1
Carpenter Grade 1
Clerk Administrative Grade 1
Combat Engineer Grade 1
Combat Medical Attendant Grade 2
Commando Grade 1
Cook Grade 1
Crewman Grade 1
Dental Assistant Grade 1
Driver Grade 1
Electrician Grade 1
Gunner Grade 1
Gunner Grade 2
Handler Petroleum Grade 1
Lineman Signals
Marine Specialist
Missile Number Grade 1
Operator Communication System
Operator Intelligence Grade 1
Operator Petroleum Grade 1
Operator Radio Grade 1
Operator Supply Grade 1
Operator Supply Grade 2
Patrolman Grade 1
Plumber Grade 1
Preventive Medicine Grade 1
Quartermaster Sergeant
Quartermaster Storeman

Part B - Army

Rifleman Grade 1
Rigger Parachute Grade 1
Scout Grade 1
Security Guard
Signaller Combat Grade 2
Spv Unit Rec
Steward Grade 1
Steward Grade 2
Steward Grade 3
Supervisor Army Messes

Pay Group 3

CARPENTER, GR 1 SOA Item 14: IRR
CBT ENGR GDE 1 SOA Item 14: IRR
CBT ENGR GDE2 SOA Item 14: IRR
CBT ENGR GDE3 SOA Item 14: IRR
CBT STM (RAE/RAINP) SOA Item 14: IRR
COMMANDO GR 1 SOA Item 2A: Trainee Commando
COMMANDO GR 2 SOA Item 2A: Trainee Commando
COMMANDO GR 3 SOA Item 2A: Trainee Commando
CPL OP SUP 2 SAFA: 152 Sqn
Advanced Cargo Specialist
Advanced Engineer Driver
Advanced Operator Movements
Aircraft Life Support Fitter Grade 1
Aircraft Structural Fitter Grade 1
Air Dispatcher Grade 2
Artificer Armament
Artificer Electrical
Assistant Dental Grade 2
Bricklayer Grade 2
Butcher
Cargo Specialist Grade 2
Carpenter Grade 2
Caterer
Clerk, Finance
Clerk Pay
Clerk Postal
Combat Clerk Engineers
Combat Engineer Grade 2
Commando Grade 2
Cook Grade 2
Cook Grade 3
Cook Grade 4
Crew Commander Air Dispatch
Crewman Grade 2
Crewman Gunner/Radar Operator
Crewman Specialist
Dental Assistant Grade 2
Detachment Commander Bearer Systems
Driver Grade 2
Electrician Grade 2
Engineer Driver
Firefighter
Fitter Armament Grade 1
Groundcrewman, Command Post Operator
Groundcrewman, Command Post Supervisor
Groundcrewman, Forward Arming and Refuelling Point Operator
Groundcrewman, Forward Arming and Refuelling Point Team Leader
Gun Detachment Commander

Gunner Grade 3
Gun Number Grade 2
Handler Aircraft
Infantry Operations Clerk Grade 1
Infantry Resource Storeman Grade 1
Instructor Physical Training
Manager Clerk Administrative
Manager Clerk Engineers
Manager Combat Supplies
MANAGER EMERG RESP OPERATIONS SOA Item 15: IRR (Add Tr)
Manager Storeman Engineers
Manager Supply Support
Manager Technical Supplies
Manager Unit Resources
Marine Specialist Grade 1
MECH VEH 1 SOA Item 14: IRR
Mechanic Recovery
Mechanic Vehicle Grade 1
Medical Operator
Metalsmith Grade 1
Military Police Grade 1
Missile Number Grade 2
Musician Grade 1
OP SUP 1 SAFA: 152 Sqn
Operator Artillery Meteorology and Survey Grade 1
Operator Bearer Systems
Operator Command Post Grade 1
Operator Command Post Grade 2
Operator Command Support Systems Grade 1
Operator Communications Grade 1
Operator Information Systems
Operator Intelligence Grade 2
Operator Movements Grade 1
Operator Petroleum Grade 2
Operator Plant Grade 1
Operator Radar Grade 1
Operator Radar Grade 2
Operator Radio Grade 2
Operator Specialist Vehicles Grade 1
Operator Supply Grade 2 (Corporal)
Painter and Decorator
Patrolman Grade 2
Photographer Grade 1
Piper Drummer and Bugler Grade 1
Plumber and Gasfitter (Mechanical Services)
Plumber Grade 2
Preventive Medicine Grade 2
RFN GDE 1 SOA Item 2A: Trainee Commando
RFN GDE 2 SPEC SOA Item 2A: Trainee Commando
Rifleman Grade 2
Rifleman Grade 2 Specialist
Rigger Parachute Grade 2
Rigger Signals
Scout Grade 2
Signaller
Steward Grade 4
Steward Grade 5
Storeman Engineers
Supervisor Catering
Supervisor Clerk Administrative
Supervisor Clerk Engineers
Supervisor Combat Supplies

Supervisor Operational Movements
 Supervisor Storeman Engineers
 Supervisor Technical Supplies
 Supervisor Transport Section Operations
 Supervisor Unit Resources
 Surveyor Engineer Grade 1
 Tailor

Pay Group 4

CBT ENGR GDE 1 SOA Item 15: IRR (Add Tr)
 CBT ENGR GDE 2 SOA Item 15: IRR (Add Tr)
 CBT ENGR GDE 3 SOA Item 15: IRR (Add Tr)
 Electrician, GR 1 SOA Item 15: IRR (Add Tr)
 Medical Technician SOA Item 15: IRR (Add Tr)
 Operator Emergency Response SOA Item 15: IRR (Add Tr)
 TECH EOR SOA Item 15: IRR (Add Tr)
 ADV OP MOV SOA Item 14: IRR
 AIRCRAFT LOADMASTER FA: less than 2
 CBT CLK (RAE/RAINF) SOA Item 14: IRR
 CBT CLK (RAE/RAINF) SOA Item 14: IRR
 CBT ENGR GDE 2 SOA Item 14: IRR
 CBT ENGR GDE 2 SOA Item 2A: Trainee Commando
 CBT ENGR GDE 3 SOA Item 14: IRR
 CBT STM (RAE/RAINF) SOA Item 14: IRR
 CLERK FINANCE SOA Item 14: IRR
 COMMANDO GR 1 SOA Item 3: Qual Commando
 COMMANDO GR 1 SOA Item 2A: Trainee Commando
 COMMANDO GR 2 SOA Item 3: Qual Commando
 COMMANDO GR 2 SOA Item 2A: Trainee Commando
 COMMANDO GR 3 SOA Item 3: Qual Commando
 COMMANDO GR 3 SOA Item 2A: Trainee Commando
 Commando GR 4 SOA Item 3: Qual Commando
 Commando GR 4 SOA Item 2A: Trainee Commando
 Cook Grade 5 SOA Item 14: IRR
 CPL OP SUP 2 SAFA: 152 Sqn
 Det Cmdr/Asst Cmdr Comms SAFA: 152 Sqn
 Det Cmdr/Asst Cmdr Comms SOA Item 4: 126
 DVR GDE 2 SOA Item 14: IRR
 GUN DETACHMENT CMDR SOA Item 2A: Trainee Commando
 GUNNER GDE 3 SOA Item 2A: Trainee Commando
 Infantry Resource Storeman Gr1 SOA Item 3: Qual Commando
 INSTR PT SOA Item 2A: Trainee Commando
 Mechanic Recovery SOA Item 2A: Trainee Commando
 Medical Technician SOA Item 2A: Trainee Commando
 MNGR CBT CLK (RAE/RAINF) SOA Item 14: IRR
 MNGR CBT STM (RAE/RAINF) SOA Item 14: IRR
 Op Command Support Sys Gr 2 SAFA: 152 Sqn
 Op Command Support Sys Gr 2 SOA Item 4: 126
 Operator Communications Gr 2 SAFA: 152 Sqn
 Operator Communications Gr 2 SOA Item 4: 126
 OPERATOR EMERGENCY RESPONSE SOA Item 14: IRR
 OPERATOR, PLANT, GR 1 SOA Item 14: IRR
 RFN GDE 1 SOA Item 3: Qual Commando
 RFN GDE 2 SPEC SOA Item 3: Qual Commando
 RFN GDE 2 SPEC SOA Item 2A: Trainee Commando
 RFN GDE 3 SPEC SOA Item 2A: Trainee Commando
 RIGGER PRCHT 2 SOA Item 2A: Trainee Commando
 SPV CBT CLK (RAE/RAINF) SOA Item 14: IRR
 SPV CBT STM (RAE/RAINF) SOA Item 14: IRR
 SPV CBT SUP SOA Item 14: IRR

SPV EOD SOA Item 14: IRR
SPV OPS MOV SOA Item 14: IRR
SPV TPT SECT OPS SOA Item 14: IRR
SPV UNIT RES SAFA: 152 Sqn
SPV UNIT RES SOA Item 14: IRR
Advanced Mechanic, Recovery
Aircraft Life Support Fitter Grade 2
Aircraft Structural Fitter Grade 2
Aircrewman Loadmaster
Aircrewman Observer
Analyst Intelligence Operations
Artificer Vehicle
Assistant Manager Operational Movements
Assistant Supervisor Bearer Systems
Assistant Supervisor Cargo Operations
Assistant Supervisor Infantry Operations Clerk Grade 2
Assistant Supervisor Infantry Resource Storeman Grade 2
Assistant Supervisor Offensive Support
Assistant Supervisor Operator Intelligence
Assistant Supervisor Transport Engineers
Bricklayer Grade 3
Carpenter Grade 3
Combat Engineer Grade 3
Commander Emergency Response
Commando Grade 3
Controller Air Traffic Grade 1
Cook Grade 5
Crew Commander Mechanised
Crewman Commander
Crewman Commander (RAE)
Dental Hygienist
Dental Supervisor
Draftsman Architectural Grade 1
Electrician Grade 3
Explosive Detection Dog Handler
Fitter Armament Grade 2
Groundcrewman, Forward Arming and Refuelling Point Supervisor
Groundcrewman, Supervisor Aviation Squadron Operations
Manager Cargo Operations
Manager Infantry Operations Clerk
Manager Infantry Resource Storeman
Manager Operational Movements
Manager Operator Intelligence
Manager Petroleum
Manager Preventive Medicine
Manager Rigger Parachute
Marine Specialist Grade 2
Mechanic Vehicle Grade 2
Medical Technician and Medical Technician Specialist
Metalsmith Grade 2
Meteorologist Artillery
Military Police Grade 2
Missile Number Grade 3
Multimedia Technician, Grade 1
Musician Grade 2
Operator Artillery Meteorology and Survey Grade 2
Operator Artillery Meteorology and Survey Grade 3
Operator Command Post Field Grade 2
Operator Command Post Grade 3
Operator Command Support Systems Grade 2
Operator Communications Grade 2
Operator Computer

Operator Electronic Warfare
Operator Emergency Response
Operator Information Systems and Cipher
Operator Information Systems and Radio
Operator Petroleum Grade 3
Operator Plant Grade 2
Operator Plant Grade 3
Operator Radar Grade 3
Operator Specialist Vehicles Grade 2
Operator Work Study
Patrol Commander
Photographer Grade 2
Piper Drummer and Bugler Grade 2
Plumber Grade 3
Radiographer
Recruit Instructor (1 RTB)
Rifleman Grade 3
Rifleman Grade 3 Specialised
Rigger Parachute Grade 3
Scout Patrol Commander
Second in Command Transport Troop Operations
Section Commander Engineers
Sniper
Special Air Service Trooper Grade 1
Supervisor Aerial Delivery
Supervisor Air Defence
Supervisor Bearer Systems
Supervisor Cargo Operations
Supervisor Communications
Supervisor Infantry Operations Clerk
Supervisor Infantry Resource Storeman
Supervisor Marine
Supervisor Offensive Support
Supervisor Operator Intelligence
Supervisor Petroleum
Supervisor Platoon Infantry Operations
Supervisor Preventive Medicine
Supervisor Rigger Parachute
Supervisor Transport Engineers
Supervisor Transport Operations Engineers
Supervisor Transport Troop Operations
Surveyor Engineer Grade 2
Technician Aircraft Grade 1
Technician Avionics Grade 1
Technician Electrical Grade 1
Technician Electronic Grade 1
Technician Electronics Radar Grade 1
Technician Electronics Telecommunications Grade 1
Technician Electronic Systems Grade 1
Technician Geomatic Grade 1
Technician Laboratory Grade 1
Technician Operating Theatre
Technician Photographic Grade 1
Technician Printer Grade 1
Technician Telecommunication Systems
Underwater Medicine Clinician SOA Item 2A: Trainee Commando
WO1 PG2 SOA Item 14: IRR
WO1 PG20 SOA Item 14: IRR

Pay Group 5

Clerk Administrative Gade 1-SOA Item 4: 126
 Aircraft Structural Fitter Grade 3-
 Det Cmdr/Ass Cmdr Telecomm Sys-SOA Item 4: 126
 Det Cmdr/Asst Cmdr Comms-SOA Item 4: 126
 Det Cmdr/Asst Cmdr Support Sys-SOA Item 4: 126
 Op Command Support Sys Gr 2-SOA Item 4: 126
 Operator Communications Gr 2-SOA Item 4: 126
 Artificer Aircraft-
 Artificer Electronic Systems (AIR)-
 Artificer Electronic Systems (GROUND)-
 Artificer Mechanical-
 Artificer Radar-
 Artificer Telecommunications-
 Assistant Detachment Commander Command Support Systems-
 Assistant Detachment Commander Communications-
 Assistant Detachment Commander Electronic Warfare-
 Assistant Detachment Commander Telecommunication Systems-
 Assistant Manager Bearer Systems-
 Assistant Manager Operations Locating-
 Assistant Manager Operations Offensive Support-
 Assistant Supervisor Engineer Platoon Operations-
 Assistant Supervisor Intelligence Operations-
 Assistant Supervisor Locating-
 Aviation Operations Manager-
 Chief Aerial Delivery-
 Commando Grade 4-
 Company Mechanised Sergeant-
 Controller Air Traffic Grade 2-
 Dental Manager-
 Detachment Commander Command Support Systems-
 Detachment Commander Communications-
 Detachment Commander Electronic Warfare-
 Detachment Commander Telecommunication Systems-
 Draftsman Architectural Grade 2-
 Drum Major-
 Examiner Psychological-
 Explosive Ordnance Reconnaissance Technician-
 Fitter Armament Grade 3-
 Linguist Intelligence Special Duties-
 Manager Bearer Systems-
 Manager Emergency Response Operations-
 Manager Intelligence Operations-
 Manager Operations Air Defence-
 Manager Operations Locating-
 Manager Operations Offensive Support-
 Manager Works-
 Military Investigator Grade 3-
 Multimedia Technician, Grade 2-
 Multimedia Technician, Grade 3-
 Musician Grade 3-
 Patrol Master-
 Petroleum Specialist-
 Photographer Public Relations-
 Pipe Major-
 Project Officer Aerial Delivery-
 Reporter-
 Scout Supervisor Squadron Operations-
 Scout Supervisor Troop Operations-
 Section Commander Commando-
 Sniper Master-

Sniper Supervisor-
Sniper Team Leader-
Special Air Service Trooper Grade 2-
Squadron Sergeant Major, Aviation-
Supervisor Building-
Supervisor Civil-
Supervisor Communications-
Supervisor Company Operations-
Supervisor Emergency Response Operations-
Supervisor Engineering Services-
Supervisor Engineer Operations-
Supervisor Engineer Platoon Operations-
Supervisor Intelligence Operations-
Supervisor Locating-
Supervisor Operator Signals-
Supervisor Squadron Operations-
Supervisor Troop Operations-
Technician Aircraft Grade 2-
Technician Ammunition-
Technician Avionics Grade 2-
Technician Cipher-
Technician Dental-
Technician Electrical Grade 2-
Technician Electronic Grade 2-
Technician Electronics Radar Grade 2-
Technician Electronics Telecommunications Grade 2-
Technician Electronic Systems Grade 2-
Technician Geomatic Grade 2-
Technician Laboratory Grade 2-
Technician Photographic Grade 2-
Technician Printer Grade 2-
Underwater Medicine Clinician-
AIRCMAN LOADMASTER-FA: 2 - 4 YEARS
CBT CLK (RAE/RAINP)-SOA ITEM 15: IRR (ADD TR)
CBT ENGR GDE 2-SOA ITEM 15: IRR (ADD TR)
CBT STM (RAE/RAINP)-SOA ITEM 15: IRR (ADD TR)
COOK1-SOA ITEM 15: IRR (ADD TR)
DVR ENGR-SOA ITEM 15: IRR (ADD TR)
FIRE FIGHTER-SOA ITEM 15: IRR (ADD TR)
MEDICAL TECHNICIAN-SOA ITEM 15: IRR (ADD TR)
MNGR CBT STM (RAE/RAINP)-SOA ITEM 15: IRR (ADD TR)
OPERATOR EMERGENCY RESPONSE-SOA ITEM 15: IRR (ADD TR)
OPERATOR, PLANT, GR 1-SOA ITEM 15: IRR (ADD TR)
REC INSTR (1 RTB)-SOA ITEM 15: IRR (ADD TR)
SPV ENGR PL OPS-SOA ITEM 15: IRR (ADD TR)
TECH EOR-SOA ITEM 15: IRR (ADD TR)
CBT ENGR GDE 2-SOA ITEM 3: QUAL COMMANDO
COMMANDO GR 1-SOA ITEM 3: QUAL COMMANDO
COMMANDO GR 2-SOA ITEM 3: QUAL COMMANDO
COMMANDO GR 3-SOA ITEM 3: QUAL COMMANDO
COMMANDO GR 4-SOA ITEM 3: QUAL COMMANDO
GUN DETACHMENT CMDR-SOA ITEM 3: QUAL COMMANDO
INFANTRY RESOURCE STOREMAN GR1-SOA ITEM 3: QUAL COMMANDO
RFN GDE 1-SOA ITEM 3: QUAL COMMANDO
RFN GDE 2 SPEC-SOA ITEM 3: QUAL COMMANDO
RFN GDE 3 SPEC-SOA ITEM 3: QUAL COMMANDO
RIGGER PRCHT2-SOA ITEM 3: QUAL COMMANDO
SAS TPR 1-SOA ITEM 3: QUAL COMMANDO
SIG-SOA ITEM 3: QUAL COMMANDO
AIRCMAN LOADMASTER-FA: LESS THAN 2
ANALYST INT OPS-SOFA: 152 SQN
DET CMDR/ASS CMDR TELECOMM SYS-SOFA: 152 SQN

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DET CMDR/ASST CMDR COMMS-SAFA: 152 SQN
 ELECTRICIAN, GR 1-SAFA: 152 SQN
 OP COMMAND SUPPORT SYS GR 2SAFA: 152 SQN
 OPERATOR COMMUNICATIONS GR 2-SAFA: 152 SQN
 SUPERVISOR COMMUNICATIONS-SAFA: 152 SQN
 TECH TELECOMMUNICATIONS SYS-SAFA: 152 SQN
 ANALYST INT OPS-SOA ITEM 14: IRR
 ASST SPV EOD-SOA ITEM 14: IRR
 ASST SPV INT OPS-SOA ITEM 14: IRR
 CLERK ADMINISTRATIVE GRADE 1-SOA ITEM 14: IRR
 COMMANDER EMERGENCY RESPONSE-SOA ITEM 14: IRR
 COOK GRADE 5-SOA ITEM 14: IRR
 DET CMDR/ASST CMDR COMMS-SOA ITEM 14: IRR
 DVR ENGR-SOA ITEM 14: IRR
 EDD HANDLER-SOA ITEM 14: IRR
 FITT ARMT GR 2-SOA ITEM 14: IRR
 MECH VEH 2-SOA ITEM 14: IRR
 MILITARY POLICE, GR 1-SOA ITEM 14: IRR
 MULTIMEDIA TECHNICIAN GRADE 2-SOA ITEM 14: IRR
 OP COMMAND SUPPORT SYS GR 2-SOA ITEM 14: IRR
 OPERATOR COMMUNICATIONS GR 2-SOA ITEM 14: IRR
 SPV TPT ENGR-SOA ITEM 14: IRR
 SPV TPT OPS ENGR-SOA ITEM 14: IRR
 COMMANDO GR 2-SOA ITEM 2A: TRAINEE COMMANDO
 COMMANDO GR 3-SOA ITEM 2A: TRAINEE COMMANDO
 COMMANDO GR 4-SOA ITEM 2A: TRAINEE COMMANDO
 INSTR PT-SOA ITEM 2A: TRAINEE COMMANDO
 MECH VEH 2-SOA ITEM 2A: TRAINEE COMMANDO
 MEDICAL TECHNICIAN-SOA ITEM 2A: TRAINEE COMMANDO
 OP CPOS 3-SOA ITEM 2A: TRAINEE COMMANDO
 OPERATOR COMMUNICATIONS GR 2-SOA ITEM 2A: TRAINEE COMMANDO
 RFN GDE 3 SPEC-SOA ITEM 2A: TRAINEE COMMANDO
 SECT COMD, COMMANDO-SOA ITEM 2A: TRAINEE COMMANDO
 UNDERWATER MEDICINE CLINICIAN-SOA ITEM 2A: TRAINEE COMMANDO

Pay Group 6

Artificer Air-
 Artificer Aircraft-
 Artificer Avionics-
 Artificer Electronics-
 Artificer Ground-
 Assistant Manager Communications-
 Assistant Supervisor Command Support Systems-
 Assistant Supervisor Electronic Warfare-
 Assistant Supervisor Explosive Ordnance Disposal-
 Assistant Supervisor Linguist Intelligence Special Duties-
 Assistant Supervisor Telecommunication Systems-
 Manager Command Support Systems-
 Manager Communications-
 Manager Linguist Intelligence Special Duties-
 Special Air Service Trooper, Grade 3-
 Supervisor Commando Operations-
 Supervisor Commando Platoon Operations-
 Supervisor Command Support Systems-
 Supervisor Electronic Warfare-
 Supervisor Explosive Ordnance Disposal-
 Supervisor Linguist Intelligence Special Duties-
 Supervisor Technical Telecommunications-
 Supervisor Telecommunication Systems-

Technician Geomatic Grade 3-
 AIRCMAN LOADMASTER-FA: 4 - 6 years
 AIRCMAN LOADMASTER-FA: 2 - 4 years
 ANALYST INT OPS-SOA Item 15: IRR (Add Tr)
 ASST SPV ENGR PL OPS-SOA Item 15: IRR (Add Tr)
 ASST SPV INT OPS-SOA Item 15: IRR (Add Tr)
 CBT ENGR GDE 3-SOA Item 15: IRR (Add Tr)
 COMMANDER EMERGENCY RESPONSE-SOA Item 15: IRR (Add Tr)
 EDD HANDLER-SOA Item 15: IRR (Add Tr)
 Medical Technician-SOA Item 15: IRR (Add Tr)
 Operator Communications Gr 2-SOA Item 15: IRR (Add Tr)
 OPERATOR EMERGENCY RESPONSE-SOA Item 15: IRR (Add Tr)
 SPV ENGR PL OPS-SOA Item 15: IRR (Add Tr)
 TECH EOR-SOA Item 15: IRR (Add Tr)
 COMMANDO GR 2-SOA Item 3: Qual Commando
 COMMANDO GR 3-SOA Item 3: Qual Commando
 Commando GR 4-SOA Item 3: Qual Commando
 Det Cmdr/Ass Cmdr Telecomm Sys-SOA Item 3: Qual Commando
 Infantry Resource Storeman Gr1-SOA Item 3: Qual Commando
 MECH VEH 2-SOA Item 3: Qual Commando
 Op Command Support Sys Gr 2-SOA Item 3: Qual Commando
 OP CP OS 3-SOA Item 3: Qual Commando
 Operator Communications Gr 2-SOA Item 3: Qual Commando
 OPERATOR EMERGENCY RESPONSE-SOA Item 3: Qual Commando
 RFN GDE 3 SPEC-SOA Item 3: Qual Commando
 SAS TPR 1-SOA Item 3: Qual Commando
 SAS TPR 2-SOA Item 3: Qual Commando
 SECT COMD, COMMANDO-SOA Item 3: Qual Commando
 SNIPER-SOA Item 3: Qual Commando
 SPV COMMANDO PL OPS-SOA Item 3: Qual Commando
 Supvr Infantry Resource Strmn-SOA Item 3: Qual Commando
 AIRCMAN LOADMASTER-FA: less than 2
 TECH ACFT 2-FA: less than 2
 Det Cmdr/Ass Cmdr Telecomm Sys-SAFA: 152 Sqn
 Det Cmdr/Asst Cmdr Comms-SAFA: 152 Sqn
 Det Cmdr/Asst Cmdr Support Sys-SAFA: 152 Sqn
 Operator Communications Gr 2-SAFA: 152 Sqn
 Supervisor Communications-SAFA: 152 Sqn
 Tech Telecommunications Sys-SAFA: 152 Sqn
 ART MECH-SOA Item 14: IRR
 Det Cmdr/Ass Cmdr Telecomm Sys-SOA Item 14: IRR
 Det Cmdr/Asst Cmdr Comms-SOA Item 14: IRR
 Det Cmdr/Asst Cmdr Support Sys-SOA Item 14: IRR
 SPV EOD-SOA Item 14: IRR
 SPV INT OPS-SOA Item 14: IRR
 Supervisor Communications-SOA Item 14: IRR
 TECH ELEC 2-SOA Item 14: IRR
 TECH GEOMATIC GDE 2-SOA Item 14: IRR
 Det Cmdr/Asst Cmdr Comms-SOA Item 24: 301 Sqn
 Det Cmdr/Asst Cmdr Support Sys-SOA Item 24: 301 Sqn
 ANALYST INT OPS-SOA Item 2A: Trainee Commando
 COMMANDO GR 2-SOA Item 2A: Trainee Commando
 Commando GR 4-SOA Item 2A: Trainee Commando
 Det Cmdr/Asst Cmdr Comms-SOA Item 2A: Trainee Commando
 SNIPER, SUPERVISOR-SOA Item 2A: Trainee Commando
 SPV, COY OPS-SOA Item 2A: Trainee Commando
 Underwater Medicine Clinician-SOA Item 2A: Trainee Commando
 Det Cmdr/Ass Cmdr Telecomm Sys-SOA Item 4: 126
 Det Cmdr/Asst Cmdr Comms-SOA Item 4: 126
 Det Cmdr/Asst Cmdr Support Sys-SOA Item 4: 126
 Mngr/Asst Mngr Communications-SOA Item 4: 126
 Operator Communications Gr 2-SOA Item 4: 126

Spvr/Asst Spvr Telecomm Sys-SOA Item 4: 126
 Supervisor Communications-SOA Item 4: 126

Pay Group 7

Assistant Manager Electronic Warfare-
 AIRCMAN LOADMASTER-FA: 4 - 6 years
 ANALYST INT OPS-SOA Item 15: IRR (Add Tr)
 ANALYST INT OPS-SOA Item 3: Qual Commando
 Assistant Manager Telecommunication Systems-
 ASST SPV ENGR PL OPS-SOA Item 15: IRR (Add Tr)
 ASST SPV EOD-SOA Item 15: IRR (Add Tr)
 ASST SPV INT OPS-SOA Item 15: IRR (Add Tr)
 CBT ENGR GDE 3-SOA Item 15: IRR (Add Tr)
 COMMANDER EMERGENCY RESPONSE-SOA Item 15: IRR (Add Tr)
 COMMANDO GR 2-SOA Item 2: Qual
 COMMANDO GR 2-SOA Item 1: Train TAG
 COMMANDO GR 2-SOA Item 3: Qual Commando
 COMMANDO GR 3-SOA Item 2: Qual
 COMMANDO GR 3-SOA Item 1: Train TAG
 COMMANDO GR 3-SOA Item 3: Qual Commando
 Commando GR 4-SOA Item 2: Qual
 Commando GR 4-SOA Item 1: Train TAG
 Commando GR 4-SOA Item 3: Qual Commando
 Det Cmdr/Ass Cmdr Telecomm Sys-SOA Item 3: Qual Commando
 Det Cmdr/Asst Cmdr Comms-SOA Item 15: IRR (Add Tr)
 Det Cmdr/Asst Cmdr Comms-SOA Item 3: Qual Commando
 Det Cmdr/Asst Cmdr Comms-SOA Item 4: 126
 FITT ARMT GR 3-SOA Item 3: Qual Commando
 Manager Command Support System-SOA Item 4: 126
 Manager Electronic Warfare-
 MANAGER EMERG RESP OPERATIONS-SOA Item 15: IRR (Add Tr)
 Manager Telecommunication Systems-
 Mngr/Asst Mngr Communications-SOA Item 14: IRR
 Mngr/Asst Mngr Communications-SOA Item 2A: Trainee Commando
 Mngr/Asst Mngr Communications-SOA Item 4: 126
 RFN GDE 2 SPEC-SOA Item 1: Train TAG
 SAS TPR 1-SOA Item 3: Qual Commando
 SAS TPR 2-SOA Item 3: Qual Commando
 SECT COMD, COMMANDO-SOA Item 3: Qual Commando
 SNIPER, SUPERVISOR-SOA Item 3: Qual Commando
 SNIPER, TEAM LEADER-SOA Item 3: Qual Commando
 Specialist Geomatic-
 SPV COMMANDO OPS-SOA Item 3: Qual Commando
 SPV COMMANDO PL OPS-SOA Item 3: Qual Commando
 SPV ENGR OPS-SOA Item 15: IRR (Add Tr)
 SPV ENGR PL OPS-SOA Item 15: IRR (Add Tr)
 SPV EOD-SOA Item 15: IRR (Add Tr)
 SPV EOD-SOA Item 14: IRR
 SPV, COY OPS-SOA Item 3: Qual Commando
 Spvr/Ass Spvr Command Supp Sys-SOFA: 152 Sqn
 Spvr/Ass Spvr Command Supp Sys-SOA Item 4: 126
 Spvr/Asst Spvr Telecomm Sys-SOA Item 4: 126
 Supervisor Communications-SOA Item 15: IRR (Add Tr)
 Supervisor Communications-SOA Item 3: Qual Commando
 SUPERVISOR EMERG RESP OPERAT-SOA Item 15: IRR (Add Tr)
 TECH ACFT 2-FA: 4 - 6 years
 TECH ACFT 2-FA: 2 - 4 years
 TECH AV 2-FA: 2 - 4 years
 TECH EOR-SOA Item 15: IRR (Add Tr)
 TECH GEOMATIC GDE 2-SOA Item 15: IRR (Add Tr)

TECH GEOMATIC GDE 3-SOA Item 14: IRR
Underwater Medicine Clinician-SOA Item 3: Qual Commando
WO1 PG2-SOA Item 15: IRR (Add Tr)
WO1 PG20-SOA Item 4: 128
WO1 PG3-SOA Item 3: Qual Commando

Pay Group 8

COMMANDO GR 2-SOA Item 2: Qual
AIRCMAN LOADMASTER-FA: 6 - 8 years
ART AV-FA: 4 - 6 years
Asst Manager Telecomm Sys-SOA Item 4: 126
ASST SPV EOD-SOA Item 15: IRR (Add Tr)
COMMANDO GR 3-SOA Item 1: Train TAG
Commando GR 4-SOA Item 2: Qual
Commando GR 4-SOA Item 1: Train TAG
Det Cmdr/Asst Cmdr Comms-SOA Item 1: Train TAG
Groundcrewman Spvr Avn Sqn Ops-FA: 6 - 8 years
Mngr/Asst Mngr Communications-SOA Item 3: Qual Commando
Op Command Support Sys Gr 2-SOA Item 1: Train TAG
Operator Communications Gr 2-SOA Item 1: Train TAG
RFN GDE 2 SPEC-SOA Item 2: Qual
RFN GDE 3 SPEC-SOA Item 1: Train TAG
SAS TPR 1-SOA Item 2: Qual
SAS TPR 1-SOA Item 1: Train TAG
SAS TPR 2-SOA Item 1: Train TAG
SAS TPR 2-SOA Item 3: Qual Commando
SECT COMD, COMMANDO-SOA Item 3: Qual Commando
SPV COMMANDO OPS-SOA Item 3: Qual Commando
SPV COMMANDO PL OPS-SOA Item 3: Qual Commando
SPV EOD-SOA Item 15: IRR (Add Tr)
SPV, COY OPS-SOA Item 3: Qual Commando
Spvr/Asst Spvr Telecomm Sys-SOA Item 3: Qual Commando
Supervisor Communications-SOA Item 3: Qual Commando
TECH ACFT 2-FA: 4 - 6 years
TECH AV 2-FA: 4 - 6 years
WO1 PG2-SOA Item 15: IRR (Add Tr)
WO1 PG3-SOA Item 15: IRR (Add Tr)
WO1 PG3-SOA Item 3: Qual Commando

Pay Group 9

AIRCMAN LOADMASTER-FA: 10+ years
AIRCMAN LOADMASTER-FA: 8 - 10 years
AIRCMAN OBSR-FA: 8 - 10 years
ART ACFT-FA: 6 - 8 years
ART ACFT-FA: 4 - 6 years
COMMANDO GR 2-SOA Item 2: Qual
COMMANDO GR 3-SOA Item 2: Qual
COMMANDO GR 3-SOA Item 1: Train TAG
Commando GR 4-SOA Item 2: Qual
Commando GR 4-SOA Item 1: Train TAG
Det Cmdr/Asst Cmdr Comms-SOA Item 2: Qual
Det Cmdr/Asst Cmdr Comms-SOA Item 1: Train TAG
Det Cmdr/Asst Cmdr Comms-SAFA: Trainee SF
Groundcrewman Spvr Avn Sqn Ops-FA: 8 - 10 years
Op Command Support Sys Gr 2-SAFA: Trainee SF
Op Command Support Sys Gr 2-SOA Item 2: Qual
Operator Communications Gr 2-SAFA: Trainee SF
Operator Communications Gr 2-SOA Item 2: Qual

RFN GDE 3 SPEC-SAFA: Trainee SF
 SAS TPR 1-SAFA: Trainee SF
 SAS TPR 1-SOA Item 2: Qual
 SAS TPR 2-SAFA: Trainee SF
 SAS TPR 2-SOA Item 2: Qual
 SAS TPR 2-SOA Item 1: Train TAG
 SECT COMD, COMMANDO-SOA Item 2: Qual
 SECT COMD, COMMANDO-SOA Item 1: Train TAG
 SNIPER, TEAM LEADER-SOA Item 2: Qual
 SNIPER, TEAM LEADER-SOA Item 1: Train TAG
 SPV COMMANDO PL OPS-SOA Item 2: Qual
 SPV COMMANDO PL OPS-SOA Item 1: Train TAG
 Spvr/Asst Spvr Telecomm Sys-SOA Item 1: Train TAG
 Supervisor Communications-SOA Item 1: Train TAG
 TECH AV 2-FA: 6 - 8 years
 WO1 PG25-FA: 8 - 10 years

Pay Group 10

Aircrewman Loadmaster-FA: 10+ years
 AIRCMAN LOADMASTER-FA: 10+ years
 AIRCMAN LOADMASTER-FA: 10+ years
 AIRCMAN OBSR-FA: 10+ years
 ART ACFT-FA: 6 - 8 years
 ART AV-FA: 6 - 8 years
 COMMANDO GR 2-SOA Item 2: Qual
 COMMANDO GR 3-SOA Item 2: Qual
 Commando GR 4-SAFA: Trainee SF
 Commando GR 4-SOA Item 2: Qual
 Det Cmdr/Asst Cmdr Comms-SOA Item 2: Qual
 Mnger Inftry Operations Clerk-SAFA: Qual SF
 SAS TPR 1-SAFA: Trainee SF
 SAS TPR 1-SOA Item 2: Qual
 SAS TPR 2-SAFA: Trainee SF
 SAS TPR 2-SOA Item 2: Qual
 SECT COMD, COMMANDO-SOA Item 2: Qual
 SNIPER, TEAM LEADER-SAFA: Trainee SF
 SNIPER, TEAM LEADER-SOA Item 2: Qual
 Special Air Service Trooper 3-SAFA: Qual SF
 SPV COMMANDO PL OPS-SOA Item 2: Qual
 Spvr/Asst Spvr Telecomm Sys-SAFA: Trainee SF
 Spvr/Asst Spvr Telecomm Sys-SOA Item 1: Train TAG
 Supervisor Communications-SOA Item 2: Qual
 WO1 PG25-FA: 10+ years

Pay Group 11

AIRCMAN LOADMASTER-FA: 10+ years
 ART ACFT-FA: 8 - 10 years
 ART AV-FA: 8 - 10 years
 SAS TPR 1-SAFA: Qual SF
 SAS TPR 2-SAFA: Qual SF
 SECT COMD, COMMANDO-SOA Item 2: Qual
 SPV COMMANDO OPS-SOA Item 2: Qual
 SPV COMMANDO PL OPS-SOA Item 2: Qual
 Spvr/Asst Spvr Telecomm Sys-SAFA: Trainee SF
 Sqn Sergeant Major Aviation-FA: 10+ years

Pay Group 12

Infantry Resource Storeman Gr1-SAFA: Qual SF
INSTR PT-SAFA: Qual SF
Mnger Infntry Operations Clerk-SAFA: Qual SF
Op Command Support Sys Gr 1-SAFA: Qual SF
SAS TPR 2-SAFA: Qual SF
Special Air Service Trooper 3-SAFA: Qual SF

Pay Group 13

ASST MED UW-SAFA: Qual SF
Det Cmdr/Asst Cmdr Comms-SAFA: Qual SF
Det Cmdr/Asst Cmdr Support Sys-SAFA: Qual SF
FITT ARMT GR 3-SAFA: Qual SF
Infantry Resource Storeman Gr1-SAFA: Qual SF
INSTR PT-SAFA: Qual SF
Manager Infantry Resource Strmn-SAFA: Qual SF
MECH VEH 2-SAFA: Qual SF
Mnger Infntry Operations Clerk-SAFA: Qual SF
Op Command Support Sys Gr 2-SAFA: Qual SF
SAS TPR 1-SAFA: Qual SF
SAS TPR 2-SAFA: Qual SF
Signals Officer-SAFA: Qual SF
Special Air Service Trooper 3-SAFA: Qual SF
SPV COMMANDO OPS-SAFA: Qual SF
Supvr Infantry Resource Strmn-SAFA: Qual SF
WO1 PG7-SAFA: Qual SF

Pay Group 14

Det Cmdr/Ass Cmdr Telecomm Sys-SAFA: Qual SF
Det Cmdr/Asst Cmdr Comms-SAFA: Qual SF
Det Cmdr/Asst Cmdr Support Sys-SAFA: Qual SF
FITT ARMT GR 3-SAFA: Qual SF
INSTR PT-SAFA: Qual SF
LING INT SPEC DUTIES-SAFA: Qual SF
Manger Infantry Resource Strmn-SAFA: Qual SF
MECH VEH 2-SAFA: Qual SF
Mnger Infntry Operations Clerk-SAFA: Qual SF
MNGR INT OPS-SAFA: Qual SF
Mngr/Asst Mngr Communications-SAFA: Qual SF
Op Command Support Sys Gr 1-SAFA: Qual SF
Op Command Support Sys Gr 2-SAFA: Qual SF
SAS TPR 1-SAFA: Qual SF
SAS TPR 2-SAFA: Qual SF
SNIPER, TEAM LEADER-SAFA: Qual SF
Special Air Service Trooper 3-SAFA: Qual SF
SPV COMMANDO OPS-SAFA: Qual SF
SPV COMMANDO PL OPS-SAFA: Qual SF
SPV INT OPS-SAFA: Qual SF
SPV, COY OPS-SAFA: Qual SF
Spvr/Ass Spvr Elec Warfare-SAFA: Qual SF
Spvr/Asst Spvr Telecomm Sys-SAFA: Qual SF
Supervisor Communications-SAFA: Qual SF
Supervisor Communications-SAFA: Qual SF
Supvr Infantry Resource Strmn-SAFA: Qual SF
TECH ELEC 1-SAFA: Qual SF
WO1 PG7-SAFA: Qual SF

Pay Group 15

Asst Manager Telecomm Sys-SAFA: Qual SF
Manager Command Support System-SAFA: Qual SF
Mngr/Asst Mngr Communications-SAFA: Qual SF
SAS TPR 2-SAFA: Qual SF
Special Air Service Trooper 3-SAFA: Qual SF
SPV COMMANDO OPS-SAFA: Qual SF
Spvr/Ass Spvr Command Supp Sys-SAFA: Qual SF
Spvr/Ass Spvr Elec Warfare-SAFA: Qual SF
WO1 PG7-SAFA: Qual SF

Pay Group 16

Asst Manager Telecomm Sys-SAFA: Qual SF

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Part B1: Army Warrant Officer Class 1

Pay Group 1

ART MECH
MAN OPS OS
SPV TPT TP OPS

Pay Group 2

Assistant Dental Gr 1
A/Man Ops Os
Advanced Mechanic, Recovery
Aircman Loadmaster
Assistant Instructor
Clerk Finance
Cook Grade 5 - 0845
INSTR PT
INSTR PT
Manager Cargo Operations
MANAGER EMERG RESP OPERATIONS - SOA Item 15: IRR (Add Tr)
MANAGER PREVENTATIVE MEDICINE
Manger Infantry Resource Strmn
Medical Technician
Medical Technician
MILITARY POLICE, GR 2
Mnger Infntry Operations Clerk
MNGR CBT CLK (RAE/RAINP)
MNGR CBT STM (RAE/RAINP)
MNGR CBT STM (RAE/RAINP)
MNGR CBT STM (RAE/RAINP)
Mngr Clk Admin
Mngr Ops Mov
Mngr Rigger Prcht
Mngr Sup Spt
Mngr Tech Sup
Mngr Unit Res
Multimedia Technician Grade 2
Musicn 2
Spv Air Def
Spv Army Messes
Spv Cattr
Spv Clk Admin
Spv Marine
Spv Ops Mov
Spv Tpt Tp Ops
Steward Grade 5 - 3635
STWDS
STWDS
WO1 PG2 - SOA Item 14: IRR

Pay Group 3

ART AIR
ART ELEC
ART GND
ART MECH

CHIEF AERIAL DEL
DENTAL TECHNICIAN
EXAMINER PSYCHOLOGICAL
MAN OP AIR DEF
MAN OPS LOC
MAN OPS OS
Manager Command Support System
MANAGER EMERG RESP OPERATIONS
MANAGER, WORKS
MILITARY INVESTIGATOR, GR 3
MNGR INT OPS
MNGR LING INT SPEC DUTIES
MNGR PETRL
Mngr/Asst Mngr Bearer System
Mngr/Asst Mngr Communications
MUSICN 3
PETRL SPEC
PIPE MAJOR
PROJ OFFR AERIAL DEL
Special Air Service Trooper 3
SPV COMMANDO OPS
SPV ENGR OPS
SPV EOD
SPV SQN OPS ASLAV
SPV SQN OPS LEOPARD
SPV SQN OPS M113
SPV TP OPS LEOPARD
SPV, COY OPS
Sqn Sergeant Major Aviation
TECH ACFT 2
TECH AMMO
TECH GEOMATIC GDE 3

Pay Group 4

Asst Manager Telecomm Sys
Asst Manager Telecomm Sys
Manager Electronic Warfare
MANAGER EMERG RESP OPERATIONS SOA Item 15: IRR (Add Tr)
Manager Telecomm Sys
Mngr/Asst Mngr Communications
RSM-A
SPECIALIST GEOMATIC
SPV COMMANDO OPS
SPV COMMANDO PL OPS
SPV, COY OPS SOA Item 3: Qual Commando
SUPERVISOR EMERG RESP OPERAT SOA Item 15: IRR (Add Tr)
WO1 PG2 SOA Item 15: IRR (Add Tr)
WO1 PG20 SOA Item 4: 126
WO1 PG3
WO1 PG3

Pay Group 5

WO1 PG25 FA: 8 - 10 years
AIRCMAN LOADMASTER FA: 10+ years
Mngr Infantry Operations Clerk SAFA: Qual SF
Special Air Service Trooper 3 SAFA: Qual SF
WO1 PG25 FA: 10+ years

Pay Group 6

AIRMAN LOADMASTER FA: 10+ years

Pay Group 7

Manager Infantry Resource Strmn SAFA: Qual SF
WO1 PG7 SAFA: Qual SF
Special Air Service Trooper 3 SAFA: Qual SF
SPV, COY OPS SAFA: Qual SF
WO1 PG7 SAFA: Qual SF

Pay Group 8

Special Air Service Trooper 3 SAFA: Qual SF
Asst Manager Telecomm Sys SAFA: Qual SF

Part C: Air Force

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Pay Group 1

General Hand
Mess Operator Grade 1
Plant Assistant
Steward Grade 1
Telephone Operator

Pay Group 2

Aircraft Mechanic
Airfield Defence Guard Grade 1
Avionic Mechanic
Clerk Grade 1
Communications Electronic Mechanic
Cook Grade 1
Crew Attendant General Grade 0
Dental Assistant
Dental Assistant Grade 1
Mess Operator Grade 2
Motor Transport Driver Grade 1
Plant Operator
Steward Grade 2
Supplier Grade 1
Supply Supervisor

Pay Group 3

Aircraft Fitter Grade 1
Aircraft Life Support Fitter Grade 1
Aircraft Structural Fitter Grade 1
Aircraft Surface Finisher
Airfield Defence Guard Grade 2
Air Surveillance Operator Grade 1
Avionic Fitter Grade 1
Carpenter Grade 1
Carpenter Grade 2
Clerk Grade 2
Clerk Supply
Communication Information Systems Controller Grade 1
Communications Electronic Fitter Grade 1
Cook Grade 2
Crew Attendant Grade 0
Crew Attendant General Grade 1
Dental Assistant Grade 2
Dental Hygienist
Electrician Grade 1
Electrician Grade 2
Firefighter
Geospatial Imagery Intelligence Analyst
Ground Mechanical Engineering Fitter, Grade 1
Ground Support Engineering Fitter Grade 1
Ground Support Equipment Fitter, Grade 1
Medical Grade 1
Motor Transport Driver Grade 2

Physical Training Instructor
Plant Operator Grade 1
Plant Operator Grade 2
Plumber Grade 1
Plumber Grade 2
Security Police Grade 1
Supplier Grade 2
Tailor
Warrant Officer Disciplinary

Pay Group 4

Air Surveillance Operator Grade 2
Airborne Electronics Analyst Single Sensor Station Grade 0
Aircraft Fitter Grade 2
Aircraft Life Support Fitter Grade 2
Aircraft Structural Fitter Grade 2
Airfield Defence Guard Grade 3
Avionic Fitter Grade 2
Carpenter Grade 3
Communication and Information Systems Controller
Communication Information Systems Controller Grade 2
Communications Electronic Fitter Grade 2
Crew Attendant Grade 1
Dental Hygienist
Dental Supervisor
Electrician Grade 3
Electroplater
Environmental Health Surveyor
Firefighter, Grade 1
Firefighter, Grade 2
Geospatial Imagery Intelligence Analyst Grade 1
Ground Mechanical Engineering Fitter, Grade 2
Ground Support Engineering Fitter Grade 2
Ground Support Engineering Manager, Grade 1
Ground Support Equipment Fitter, Grade 2
Imagery Analyst
Intelligence Analyst Grade 1
Load Master Grade 0
Medical Grade 2
Metal Mechanist Grade 1
Musician Grade 2
Operating Theatre Technician
Photographer Grade 1
Plant Operator Grade 3
Plumber Grade 3
Security Police Grade 2
Signals Operator Linguist Grade 1
Signals Operator Technical Grade 1
Works Supervisor Grade 1

Pay Group 5

Advanced Aircraft Structural Fitter
Airborne Electronics Analyst Grade 0
Airborne Electronics Analyst Single Station Grade 1
Aircraft Technician Grade 1
Avionic Technician Grade 1
Communications Electronic Technician
Crew Attendant Grade 2

Dental Manager
 Dental Technician
 Detachment Supervisor Communication Information Systems Controller
 Firefighter Manager
 Firefighter, Grade 3
 Flight Engineer Grade 0
 Geospatial Imagery Intelligence Analyst Grade 2
 Ground Mechanical Engineering Technician
 Ground Support Engineering Manager, Grade 2
 Ground Support Engineering Technician
 Ground Support Equipment Technician
 Imagery Production Manager
 Intelligence Analyst Grade 2
 Laboratory Technician
 Load Master Grade 1
 Manager Airfield Defence Guard
 Metal Machinist Grade 2
 Musician Grade 3
 Photo Unit Supervisor
 Photographer Grade 2
 Signals Operator
 Signals Operator Linguist, Grade 2
 Signals Operator Technical, Grade 2
 Supervisor Airfield Defence Guard
 Works Manager
 Works Supervisor Grade 2
 Works Supervisor Grade 3

Pay Group 6

Advanced Aircraft Structural Technician
 Advanced Aircraft Technician
 Advanced Avionic Technician
 Advanced Communications Electronic Technician
 Airborne Electronics Analyst Single Station Grade 2
 Airborne Electronics Analyst Grade 1
 Aircraft Technician Grade 2
 Crew Attendant Grade 3
 Flight Engineer Grade 1
 Flight Test Photographer
 Geospatial Imagery Intelligence Analyst Manager
 Geospatial Imagery Intelligence Analyst Supervisor
 Imagery Production Manager (Flight Test Photographer)
 Loadmaster Grade 2
 Manager Communication Information Systems Controller
 Photo Unit Supervisor (Flight Test Photographer)
 Signals Operator General Linguist
 Signals Operator Linguist Analyst
 Signals Operator Technical Analyst
 Supervisor Communication Information Systems Controller
 Unit Flight Test Specialist
 WO1 PG22

Pay Group 7

Airborne Electronics Analyst Single Station Grade 3
 Airborne Electronics Analyst Grade 2
 Aircraft Systems Technician
 Avionic Systems Technician
 Communications Electronic Systems Technician

Crew Attendant Grade 4
Flight Engineer Grade 2
Loadmaster Grade 3
Senior Manager Processing
Senior Manager Technical
Signals Operator Advanced Linguist
Signals Operator Linguist Advanced Analyst
Signals Operator Technical Advanced Analyst
WO1 PG22
WO1 PG22
WO1 PG24

Pay Group 8

Airborne Electronics Analyst Single Station Grade 4
Airborne Electronics Analyst Grade 3
Crew Attendant Grade 5
Flight Engineer Grade 3
Loadmaster Grade 4

Pay Group 9

Airborne Electronics Analyst Grade 4
Airborne Electronics Analyst Single Station Grade 5
Crew Attendant Grade 6
Flight Engineer Grade 4
Loadmaster Grade 5

Pay Group 10

Airborne Electronics Analyst Grade 5
Airborne Electronics Analyst Single Station Grade 6
Flight Engineer Grade 5
Loadmaster Grade 6

Pay Group 11

Airborne Electronics Analyst Grade 6
Flight Engineer Grade 6

Pay Group 12

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Pay Group 13

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Pay Group 14

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Pay Group 15

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Pay Group 16
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Part C1: Air Force Warrant Officer

Pay Group 1
Pay Group 2
Pay Group 3
Pay Group 4
Pay Group 5
Pay Group 6
Pay Group 7
Pay Group 8

Table E1: RRP Phase 4 Proposal (Roll-in of Allowances)

Annex E to RRP Phase 4
05 Dec 06

	PG 1	PG 2	PG 3	PG 4	PG 5	PG 6	PG 7	PG 8	PG 9	PG 10	PG 11	PG 12	PG 13	PG 14	PG 15	PG 16
Differential	No Change	No Change	No Change	\$ 2,084	\$ 2,084	\$ 2,084	\$ 2,084	\$ 2,084	\$ 2,084	\$ 2,084	\$ 2,084	\$ 2,084	\$ 2,084	\$ 2,084	\$ 2,084	\$ 2,084
WO2 (E)	54808	56217	57067	59151	61235	63319	65403	67487	69571	71655	73739	75823	77907	79991	82075	84159
	54265	55661	56499	58583	60667	62751	64835	66919	69003	71087	73171	75255	77339	79423	81507	83591
	53181	54551	55375	57459	59543	61627	63711	65795	67879	69963	72047	74131	76215	78299	80383	82467
SGGT (E)	50346	51657	52963	55047	57131	59215	61299	63383	65467	67551	69635	71719	73803	75887	77971	80055
SGT (E)	46445	47652	48858	Move 1 Pay Group		55110	57194	59278	61362	63446	65530	67614	69698	71782	73866	75950
	45988	47182	48377	50461	52545	54629	56713	58797	60881	62965	65049	67133	69217	71301	73385	75469
	45071	46237	47410	49494	51578	53662	55746	57830	59914	61998	64082	66166	68250	70334	72418	74502
				Move 5 Pay Groups												
CPL (E)	40454	42068	43685	45769	47853	49937	52021	54105	56189	58273	60357	62441	64525	66609	68693	70777
	40053	41655	43251	45335	47419	49503	51587	53671	55755	57839	59923	62007	64091	66175	68259	70343
	39252	40821	42391	44475	46559	48643	50727	52811	54895	56979	59063	61147	63231	65315	67399	69483
LCPL (E)	36069	38038	40012	42096	44180	46264	48348	50432	52516	54600	56684	58768	60852	62936	65020	67104
				Move 9 Pay Groups												
PTE(P) (E)	35371	37304	39239	41323	43407	45491	47575	49659	51743	53827	55911	57995	60079	62163	64247	66331
PTE (E)	34689	36585	38481	40565	42649	44733	46817	48901	50985	53069	55153	57237	59321	61405	63489	65573

95% of Other Ranks

5% of Other Ranks

Key

	RAAF SGT in receipt of Flying Allowance 0-2yrs
	NAVY LS in receipt of Submarine Service Allowance
	ARMY PTE in receipt of Special Action Forces Allowance

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Utility of 8 Pay Groups

ADF can see the utility of an 8 Pay Group structure, the 16 Pay Group structure can accommodate this. Benefits would include:

- more significant changes in work value rewarded
- consistency with WO1(E) and officer structures
- simpler structure to manage

What impact on Reserves?

There will be no change to reserve employment as a result of the structural change. Reserve members will be remunerated in accordance with their employment category in the 16 pay group structure under either the non-discounted or discounted rates of pay.

What does the new structure mean for future other ranks hearings?

Future Other Ranks industrial matters will be dealt with in accordance with the newly developed placement criteria (to be jointly developed and submitted in first quarter of 2007) that have regard to:

- the definitional framework
- officer placement criteria, and
- sustainability (attraction and retention, cost of replacement etc).

Any anomalies in regards to current placement of employment categories that are identified in the development of these new principles / criteria will be addressed through the scheduling of future hearings in 2007.

What about members on allowances from Pay Group 2?

Although the differential between Pay Group 2 and 3 are not a consistent \$2,084, the members who currently receive allowances are from the lower ranks, and as a consequence of the differentials currently being higher at the lower ranks and as a result of rounding up the allowances it is not anticipated that any member will be disadvantaged.

If a member is disadvantaged the ADF will seek non-reduction provisions to protect affected members.

Clearance Divers

The Clearance Diver category is classified as critical due to significant personnel shortfalls and high wastage rates. The current category strength of 196 is below the current demand of 220 representing a 12 % shortfall. The shortfall at the senior sailor level is 34% which significantly impacts on the workgroup's long-term sustainability. The shortfall is exacerbated by a high Trained Force separation rate of 16% or 32 personnel over the last 12 months. The current annual recruiting target of 45, while exceeding the wastage rate experienced in the previous 12 months, is not sufficient to reduce the personnel shortfall for some time. These shortfalls impact Navy's ability to sustain mine warfare and clearance diving operations. Remuneration is a factor driving separation across the category. This category is under consideration for an S58B critical category retention bonus.

Rolling up the SOA CD Q&S allowance rates may have a beneficial impact on retention. Rolling up the rates does not unduly affect the relationship between the various elements of SOA Q&S.

DFA RRP Phase 4 – Explanatory Notes

Para 3.2

Why not percentage differentials?

- The joint project team modeled a number of percentage differentials however these models proved problematic due:
 - o Excessive cost
 - o Significant incursion into the WO1(E) and officers structures
 - o The inability to provide a consistent methodology to the incorporation of Q&S allowances

Why \$2,000 differentials?

- derived from a model that had 3% differentials at WO2(E) level and 5% at the PTE(E) level
- represented an amount that could allow banding of Q&S elements of allowances and apply a consistent and transparent outcome to all members in receipt of allowances

Impact of base pay inquiry?

- This is a structural submission, base pay inquiry outcomes can be incorporated into this structure if required
- This structure provides the means to pay differential pay based on work value, it does not test the basis for the pay points, this is subject to base pay inquiry

Para 3.10

Reason for so many employment categories (Annex F)?

- It is what it is, it only reflects what currently exists
- It would be expected that overtime employment categories may be further consolidated and simplified

Why not move directly to 8 Pay Groups?

16 Pay Group structure is transparent and can be communicated to ADF members as the treatment of Q&S elements of allowances in consistent

ADF needs to fully consider implications of 16 Pay Group structure

- how and under what conditions will the pay groups be condensed
- how will this be communicated to ADF members
- what impact, if any, will the base inquiry have

These issues are expected to be explored over the next 12 months.

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ADF Permanent Pay Rates - 16 November 2006

Other Ranks - Permanent (\$ pa)

Navy	Army	RAAF	Group 1	Group 2	Group 3	Group 4	Group 5	Group 6	Group 7
CPG	PO2	PO2T	54,808	56,277	57,067	57,914	58,758	59,610	60,441
			54,265	55,661	56,499	57,341	58,181	59,018	59,839
			53,151	54,551	55,375	56,197	57,018	57,839	58,643
			50,346	51,657	52,963	54,275	55,584	56,892	58,202
PO	SGT	SGT	48,445	47,652	48,058	50,065	51,274	52,401	53,660
			45,985	47,182	48,377	49,571	50,766	51,962	53,156
			45,071	46,237	47,410	48,580	49,751	50,924	52,093
LS	CPL	CPL	40,454	42,068	43,685	45,300	46,918	48,533	50,154
			40,053	41,655	43,251	44,854	46,455	48,055	49,654
			39,252	40,821	42,391	43,960	45,531	47,096	48,669
			36,066	38,036	40,012	41,984	43,955	45,924	47,896
AB	PTE(F)	LAC	35,371	37,304	39,239	41,173	43,104	45,036	46,971
SMN	PTE	AC	34,669	36,585	38,481	40,375	42,271	44,166	46,063



The ADF Workplace Remuneration and Star Ranks Remuneration Arrangements 2006-09 have delivered a 4.2% increase to Major General (E) and below ADF members effective from 16 November 2006. These tables show salaries at a glance for full- and part-time members. The base salary rates (ie not inclusive of Service Allowance: Permanent Force - \$10,098 pa and Reserve Force - \$10.42 per day) are shown. Where applicable, Service Allowance can be added by Permanent members to obtain the full superannuable 'military salary'.

This brochure is a guide only. For further information on policy and entitlements, refer to the ADF PACMAN at the Defence Pay & Conditions Web site:

Intranet - <http://intranet.defence.gov.au/pac>
Internet - <http://www.defence.gov.au/dpe/pac>

Members Undergoing Training

Permanent Members	\$ pa	RA	Officer Training Recruitment Scheme:	\$ pa
1. Recruit - basic training	26,552		5 or 6 years to grad	16,162
2. Initial category/trade/employment trng	30,015		with 4 years to grad	20,010
3. Apprentice			with 3 years to grad	23,858
1st year	16,162		with 2 years to grad	30,015
2nd year	20,010		in final year	31,939
3rd year	23,858			
4. Trainee, Cert. of Technology course		7	Officer training, no degree course:	
1st year	20,010		Army/RAAF ADG 18 month course:	
2nd year	23,858		for the first 6 months	30,015
3rd year	30,015		for the final 12 months	31,939
5. Degree/comp course with off-trng			any other Army/RAAF member	
Matriculation or equivalent	16,162		without a degree	30,015
1st year of training	20,010		with a degree	31,939
2nd year of training	23,858			
3rd year of training	30,015		Navy member:	
4th year of training	31,939		1st year	30,015
6. Undergrad entry scheme:		8	2nd year	31,939
with 4 years to grad	20,010		3rd year	
with 3 years to grad	23,858		4th year	45,139
with 2 years to grad	30,015		1st postgrad yr	46,745
in final year	31,939			48,422
1st postgrad med yr	53,656			50,126
				53,656

Senior Officers

Navy	Army	RAAF	Base Rate	Max Rate
RADM	MAJ GEN	AVM	154,830	185,550
CORE	WING	AIRCORE	127,582	153,458

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Warrant Officers - Permanent

Rank - Increment	Group 1	Group 2	Group 2A	Group 3	Group 4	Group 4A	Group 4B	Group 4C	Group 4D	Group 5	Group 5A	Group 5B	Group 5C	Group 5D	Group 5E
Service WO - 2	56,342	59,515	71,345	73,177	76,348	78,835	77,362	78,355	79,013	79,885	80,715	83,850	87,829	92,137	92,137
Service WO - 1	65,859	68,831	70,661	72,493	75,665	78,151	76,680	77,673	78,329	79,201	80,032	83,167	87,146	91,459	91,459
Service WO - 0	54,287	57,460	69,290	71,122	74,294	74,780	75,307	76,300	76,957	77,830	78,661	81,795	85,774	90,082	90,082
WO1 - 2	60,123	63,296	65,126	66,958	70,130	70,616	71,144	72,137	72,793	73,666	74,497	77,631	81,609	85,918	85,918
WO1 - 1	59,494	62,667	64,497	66,329	69,500	69,987	70,514	71,507	72,164	73,037	73,867	77,002	80,981	85,289	85,289
WO1 - 0	58,242	61,414	63,244	65,076	68,248	68,734	69,262	70,255	70,912	71,784	72,615	75,749	79,729	84,036	84,036

Officers - Permanent

Navy	Army	RAAF	Group 1	Group 2	Group 2A	Group 3	Group 3A	Group 4	Group 4A	Group 4C	Group 5	Group 6	Group 7	Group 8	Group 9	Group 10
CAPT	CO	GPCAPT	111,213	114,386	118,215	118,047	119,772	121,219	121,706	123,227	124,756	128,721	132,700	137,007	141,315	144,193
			105,046	111,219	113,049	114,681	116,805	118,052	118,539	120,060	121,589	125,555	129,533	133,841	138,148	141,026
CMDR	LTD	WGDR	94,578	98,151	99,981	101,813	103,536	104,985	105,471	106,992	108,521	112,486	116,465	120,773	125,081	127,959
			91,872	95,045	96,875	98,707	100,430	101,878	102,365	103,885	105,415	109,380	113,359	117,667	121,974	124,852
LCDR	MAJ	SONLCDR	68,818	71,991	73,820	75,652	77,376	78,824	79,311	80,831	82,361	86,326	90,305	94,013	98,920	101,798
			66,641	69,814	71,644	73,476	75,200	76,647	77,134	78,655	80,184	84,149	88,128	92,436	96,743	99,621
			64,458	67,631	69,461	71,293	73,017	74,464	74,951	76,472	78,001	81,967	85,945	90,253	94,560	97,438
LEUT	CAPT	FULT	50,837	54,010	55,840	57,672	59,395	60,843	61,330	62,850	64,380	68,345	72,324	76,532	80,940	83,818
			55,766	58,939	60,769	62,601	64,325	65,772	66,259	67,780	69,310	73,274	77,253	81,461	85,669	88,547
			56,689	59,862	61,692	63,523	65,247	66,695	67,182	68,702	70,232	74,197	78,176	82,484	86,791	89,669
			54,624	57,797	59,626	61,458	63,182	64,630	65,117	66,637	68,167	72,131	76,110	80,418	84,726	87,603
			52,557	55,730	57,560	59,392	61,116	62,564	63,050	64,572	66,100	70,066	74,045	78,352	82,660	85,538
			50,483	53,656	55,485	57,317	59,041	60,489	60,976	62,496	64,026	67,991	71,970	76,278	80,585	83,463
SBLT	LT	PLCOFF	46,954	50,126	51,956	53,788	55,512	56,960	57,447	58,967	60,496	64,461	68,440	72,748	77,056	79,934
			43,249	46,422	48,251	50,083	51,807	53,255	53,742	55,262	56,792	60,757	64,735	69,043	73,351	76,228
			43,572	46,745	48,575	50,407	52,130	53,579	54,065	55,585	57,115	61,080	65,059	69,367	73,675	76,553
			41,967	45,139	46,969	48,801	50,526	51,973	52,459	53,981	55,509	59,475	63,454	67,761	72,069	74,947
ASLT	2LT	PLTOFF	40,589	43,762	45,592	47,424	49,147	50,595	51,081	52,602	54,132	58,097	62,075	66,383	70,691	73,568
			39,210	42,383	44,213	46,045	47,768	49,217	49,703	51,224	52,753	56,718	60,696	65,005	69,313	72,191

Other Rank Appointed as Officer

Navy	Army	RAAF	Group 1	Group 2	Group 2A	Group 3	Group 3A	Group 4	Group 4A	Group 4C	Group 5	Group 6	Group 7	Group 8	Group 9	Group 10
LEUT	CAPT	FULT	50,837	54,010	55,840	57,672	59,395	60,843	61,330	62,850	64,380	68,345	72,324	76,532	80,940	83,818
			59,374	62,547	64,377	66,209	67,932	69,380	69,867	71,387	72,917	76,882	80,861	85,169	89,477	92,355
			57,908	61,081	62,911	64,743	66,467	67,914	68,401	69,922	71,451	75,417	79,395	83,703	88,010	90,888
			56,450	59,623	61,453	63,285	65,008	66,457	66,943	68,464	69,993	73,958	77,936	82,244	86,553	89,430
SBLT	LT	PLCOFF	54,991	58,163	59,993	61,825	63,548	64,997	65,483	67,004	68,533	72,498	76,476	80,785	85,093	87,971
			53,529	56,701	58,531	60,363	62,086	63,535	64,021	65,542	67,071	71,036	75,014	79,323	83,631	86,509
			52,067	55,240	57,069	58,901	60,625	62,073	62,560	64,081	65,611	69,576	73,554	77,861	82,169	85,047
			50,601	53,773	55,603	57,435	59,159	60,607	61,094	62,614	64,143	68,108	72,087	76,394	80,703	83,580
ASLT	2LT	PLTOFF	49,144	52,317	54,146	55,978	57,702	59,150	59,637	61,157	62,687	66,652	70,631	74,939	79,246	82,124

ADF Allowance Pay Rates - 16 November 2006

Service Rate	\$ pa
	10,098

Reserve Service Allowance Rate	\$/day
	10.42

Submarine Service	\$ pa
Qualification & Skill Element	8,840
Disability	
Completed less than 3 yrs	14,684
Completed 3 but less than 6 yrs	20,484
Completed 6 but less than 11 yrs	24,580
Completed 11 or more years	27,089

Field	\$/day
Tier 1	44.67
Tier 2	26.21

Seagoing	\$ pa
Completed less than 3 yrs	9,791
Completed 3 but less than 6 yrs	15,173
Completed 6 but less than 11 yrs	20,484
Completed 11 or more years	23,555
	\$/day
Boarding Party Element	45.99

Hard Lying	\$/day
Seagoing Surface	
Completed less than 3 yrs	26.82
Completed 3 but less than 6 yrs	41.57
Completed 6 but less than 11 yrs	56.12
Completed 11 or more years	64.53
Seagoing Submarine	
Completed less than 3 yrs	40.23
Completed 3 but less than 6 yrs	56.12
Completed 6 but less than 11 yrs	67.34
Completed 11 or more years	74.22

Adventurous Training Instructor	\$ rate
Instructor (pa)	5,128
Leader (per day)	36.64

Arduous Conditions	\$/day
Hot Conditions	3.15
Confined Spaces	4.79
Hazardous Substances	10.12

Diving	\$ rate
Qualified Diver (per day)	49.07
Treatment in RCC (per day)	33.66
Diving Instr (pa)	4,987
Trainee (per day)	28.04

Submarine Escape	\$ rate
Instructor (pa)	7,445
Trainee Instructor (pa)	4,962
Trainee other (per day)	29.76
Open water ascent <90m	135.36
Open water ascent >90m	270.72

Separation	\$ rate
Continuous (pa)	686
Daily Rate	6.79

Special Action Forces Allowance	\$ pa
Q&S	
Trainee Special Forces member	10,370
Qualified Special Forces member	18,301
Member of 152 Sig Sqn	1,830
Disability	
Trainee Special Forces member	18,301
Qualified Special Forces member	24,399
Medic or Ammo Tech	11,590
Member of 152 Sig Sqn	6,102
Support member	6,102
Designated Special Duty (daily rate)	184

Language Proficiency	Lower	Inter	Higher	Adv
Group 1	828	1,660	2,487	3,321
Group 2	1,245	2,487	4,148	5,802
Group 3	1,660	3,321	5,802	8,290

Paratrooper	Occurrence	\$ pa	\$/day
Free Fall Instr at PTS		8,759	24.00
Parachute Jump Instr at PTS		7,085	19.41
Parachute Jump Instr - other unit		4,895	13.41
Parachute Jump Master		4,315	11.82
Free Fall Paratrooper		3,736	10.24
3 RAR, 4 RAR, PTS, 1 CDO, 126 Sig Sqn, SASR, equiv o/s unit		3,091	8.47
Other para units		1,546	4.24
On occurrence (per descent - max 30/yr)	32.22		
HAPO Descent - jumper (per day)	283.43		
HAPO Descent - non-jumper (per day)	141.71		
Free Fall Instr in non-para posting (up to 3 yrs after)		1,933	
Parachute Jump Instr in non-para posting (up to 3 yrs after)		1,546	

Specialist Operations Allowance	\$ pa	\$ pa
(see Determination 19/2002 for full definition of who is covered by each item)		

Part 1 - TAG East/Commando	Q&S	Disability
Item 1: Trainee TAG East member	7,320	18,301
Item 2: Qualified TAG East member	10,370	24,399
Item 2A: Trainee Commando	1,830	6,102
Item 3: Qualified Commando	3,662	9,759
Item 4: Member of 126 Sig Sqn on continuous full-time service	1,830	6,102
Item 4A: A medic or Ammo Tech		11,590
Item 5: Support member		6,102

Part 2 - Clearance Divers	\$ pa	\$ pa
Item 6: CD qual	4,270	
Item 7: CD qual (adv)	6,833	
Item 8: CD trainee		9,151
Item 9: CD qual CDT in AS		15,860
Item 10: CD qual (see definitions)		11,590
Item 11: CD qual (see definitions)		10,370
Item 12: CD qual (see definitions)		9,151
Item 13: Support member		6,102

Part 3 - Incident Response Regiment	\$ pa	\$ pa
Item 14: IRR trained	1,830	
Item 15: IRR trained (addit spec)	3,050	
Item 16: Render safe		11,590
Item 17: Med, decon or search		10,370
Item 18: Incident site role (see defn)		9,151
Item 19: Support member		6,102

Part 4 - Unpredictable Explosives	\$ pa
Item 20: Render safe, cont. roster	11,590
Item 21: Render safe, cyclic roster	6,102
Item 22: Search roster	3,050

Item 22A: Render safe/dispose, high risk	\$/day
	97.53
Item 22B: Search, high risk	
	48.78

Part 5 - Designated Special Duty	\$/day
Item 23: Member on duty	184

Part 6 - Members Serving in 1 Commando Regiment	\$ pa	\$ pa
Item 24: Member of 301 Signals Squadron	1830	6102

Clause 12.1 - Additional disability allowance for deep diving	Occurrence
Per dive	243.12
Additional hourly rate	24.96

Clause 12A.1 - Additional disability allowance for experimental diving		
Per Dive	Per Dive	Additional Rate per hr
Grade 1	162.41	16.24
Grade 2	270.72	29.76
Grade 3	439.91	47.37
Grade 4	879.80	148.89

Flying and Flight Duties	\$ pa
Disability - Brigadier (E)	5,530
Disability - Colonel (E) and below	6,452
Q&S - WO2 and below	
Completed less than 2 years	2,062
Completed 2 but less than 4 years	4,543
Completed 4 but less than 6 years	6,194
Completed 6 but less than 8 years	7,847
Completed 8 but less than 10 years	9,498
Completed 10 or more years	11,200
Flight duties (per day)	17.68

ADF Specialist Pay Rates - 16 November 2006

Medical Officers on Specialist Structure

Navy	Army	RAAF	Level	Regular \$ pa	Reserve \$/day
RADM	MAJGEN	AVM	CL5	164,866	451.69
			CL4	160,160	438.79
			CL3-3	151,121	414.03
			CL3-2	148,731	402.00
			CL3-1	142,473	390.34
CDRE	BRIG	AIRCORE	CL5-1	158,542	434.36
			CL4	154,018	421.97
			CL3-3	145,326	398.15
			CL3-2**	141,107	386.59
			CL3-1**	137,009	375.37
CAPT	COL	GPCAPT	CL5-1	150,508	412.34
			CL4	146,197	400.54
			CL3-3	137,922	377.87
			CL3-2**	133,906	366.87
			CL3-1**	130,005	356.18
CMDR	LTCOL	WGCDR	CL5-1	142,917	391.55
			CL4	138,828	380.35
			CL3-3	132,118	361.97
			CL3-2**	127,153	348.36
			CL3-1**	123,451	338.22
			CL2-2**	108,264	296.67
			CL2-1**	105,129	288.02
LCDR	MAJ	SQNLDR	CL5-2	128,488	352.02
			CL5-1	124,449	340.96
			CL4	123,378	338.02
			CL3-3	115,822	317.32
			CL3-2	112,156	307.28
			CL3-1	108,594	297.52
			CL2A*	95,792	-
			CL2-3	92,708	253.99
			CL2-2	89,714	245.79
			CL2-1	86,807	237.53
			CL1	67,631	185.29
LEUT	CAPT	FLTLT	CL5-2	124,329	340.63
			CL5-1	120,414	329.90
			CL4	114,644	314.09
			CL3-3	107,585	294.75
			CL3-2	104,156	285.38
			CL3-1	100,829	276.24
			CL2A*	85,983	-
			CL2-3	83,184	227.90
			CL2-2	80,467	220.46
			CL2-1	77,830	213.23
			CL1-2	62,699	171.78
			CL1-1	60,580	165.97
			-	53,656	147.00

Medical Offr in compulsory residency year

Legal Officers on Specialist Structure

Navy	Army	RAAF	Level	Regular \$ pa	Reserve \$/day
CDRE	BRIG	AIRCORE	LL 5	151,507	415.09
			LL 4**	142,732	391.05
CAPT	COL	GPCAPT	LL 5-2	142,514	-
			LL 5-1	137,650	377.12
			LL 4	133,511	365.78
			LL 3*	127,342	348.88
			LL 2*	111,219	304.71
CMDR	LTCOL	WGCDR	LL 5	133,511	365.78
			LL 4-2	129,376	354.45
			LL 4-1	124,775	341.85
			LL 3-2	121,172	-
			LL 3-1**	117,843	322.31
			LL 2*	95,045	260.40
LCDR	MAJ	SQNLDR	LL 4-2	112,420	-
			LL 4-1	108,482	297.21
			LL 3-4	100,414	-
			LL 3-3	94,293	-
			LL 3-2	91,235	249.96
			LL 3-1	84,949	232.74
			LL 2-4	72,877	-
			LL 2-3	71,991	-
			LL 2-2	69,814	191.27
			LL 2-1	67,631	185.29
			LL 1*	67,631	185.29
LEUT	CAPT	FLTLT	LL 3-2	79,168	-
			LL 3-1	72,877	199.66
			LL 3-6	64,010	-
			LL 2-5	61,939	-
			LL 2-4	59,862	-
			LL 2-3	57,797	-
			LL 2-2	55,730	152.68
			LL 2-1	53,656	147.00
			LL 1	51,892	142.17
			LL 1*	51,892	142.17
SBLT	LT	FLGDR	LL 1	45,139	123.67

Dental Officers Not on Specialist Structure

Navy	Army	RAAF	Regular \$ pa
RADM	MAJGEN	AVM	154,630
CDRE	BRIG	AIRCORE	148,122
CAPT	COL	GPCAPT	137,650
CMDR	LTCOL	WGCDR	121,269
LCDR	MAJ	SQNLDR	100,414
			97,356
			94,293
			91,235
LEUT (a)	CAPT (a)	FLTLT (a)	84,949
			82,310
			79,168
			75,427
			72,877
			67,613
			66,344
LEUT	CAPT	FLTLT	84,949
			82,310
			79,168
			75,427
			72,877
			67,613
			65,097

Chaplains on Specialist Structure

Level	Regular \$ pa	Reserve \$/day
Div 5 Principal	117,299	321.37
Div 4 CL 3-2	107,923	295.68
CL 3-1	104,885	286.81
Div 3 CL 3-2	98,995	271.22
CL 3-1	96,028	263.09
CL 2	85,038	232.98
Div 2 CL 3-3	79,777	218.57
CL 3-2	77,341	211.89
CL 3-1	74,907	205.22
CL 2-3	72,475	198.56
Div 1 CL 3-1	72,475	198.56
CL 2-3	70,040	191.89
CL 2-2	67,678	185.42
CL 2-1	65,386	179.14
CL 1-2	63,166	173.06
CL 1-1	61,009	167.15

Chaplains Not on Specialist Structure

	Regular \$ pa
Div 5	114,295
Div 4B	98,151
Div 4A	98,151
Div 3	95,045
Div 2	71,991
	69,814
	67,631
	64,010
	61,939
	59,862
Div 1 (a)	57,797
	55,730
	53,656
	50,126
Div 1	57,797
	55,730
	53,656
	48,422



The ADF Workplace Remuneration and Star Ranks Remuneration Arrangements 2006-09 have delivered a 4.2% increase to Major General (E) and below ADF members effective from 16 November 2006. These tables show salaries at a glance for full- and part-time members. The base salary rates (ie not inclusive of Service Allowance: Permanent Force - \$10,098 pa and Reserve Force - \$10.42 per day) are shown. Where applicable, Service Allowance can be added by Permanent members to obtain the full superannuable 'military salary'.

This brochure is a guide only. For further information on policy and entitlements, refer to the ADF PACMAN at the Defence Pay & Conditions Web site:

Intranet - <http://intranet.defence.gov.au/pac>
Internet - <http://www.defence.gov.au/dpe/pac>

Dental Officers on Specialist Structure

Navy	Army	RAAF	Level	Regular \$ pa	Reserve \$/day
CDRE	BRIG	AIRCORE	CL 4	158,542	434.36
			CL 3	154,018	421.97
CAPT	COL	GPCAPT	CL 4	151,935	416.26
			CL 3	143,333	392.69
CMDR	LTCOL	WGCDR	CL 4	139,876	383.22
			CL 3	131,959	361.53
			CL 2*	117,343	321.49
LCDR	MAJ	SQNLDR	CL 4	122,763	338.34
			CL 3-3	115,324	315.96
			CL 3-2	111,712	306.06
			CL 3-1	108,208	296.45
			CL 2-3	101,591	278.33
			CL 2-2	98,376	269.53
			CL 2-1	95,261	260.99
LEUT	CAPT	FLTLT	CL 4	111,911	306.61
			CL 3-3	105,087	287.91
			CL 3-2	101,771	278.82
			CL 3-1	98,557	270.02
			CL 2-3	92,486	253.39
			CL 2-2	89,540	245.32
			CL 2-1	86,678	237.47
			CL 1-2	67,613	185.24
			CL 1-1	65,097	178.35

Medical Officers Not on Specialist Structure

Navy	Army	RAAF	Regular \$ pa	Reserve \$/day
RADM	MAJGEN	AVM	154,630	423.64
CDRE	BRIG	AIRCORE	148,122	405.81
CAPT	COL	GPCAPT	137,650	377.12
CMDR	LTCOL	WGCDR	121,269	332.24
LCDR	MAJ	SQNLDR	100,414	-
			97,356	275.11
			94,293	266.73
			91,235	249.96
LEUT (a)	CAPT (a)	FLTLT (a)	84,949	-
			82,310	-
			79,168	-
			75,427	223.36
			72,877	216.90
			67,613	199.66
			66,344	181.76
LEUT	CAPT	FLTLT	84,949	-
			82,310	-
			79,168	-
			75,427	232.74
			72,877	216.90
			67,613	199.66
			65,097	178.35

Medical Offr in compulsory residency year

ADF Reserve Pay Rates - 16 November 2006

Other Ranks - Reserve Non Discounted Rates (\$ per day)

Navy	Army	RAAF	Group 1	Group 2	Group 3	Group 4	Group 5	Group 6	Group 7
CPO	WO2	FSGT	150.16 145.70	154.02 149.45	156.35 151.71	158.67 153.96	160.98 156.21	163.32 158.46	165.59 160.67
	SSGT		137.93	141.53	145.10	148.70	152.28	155.87	159.46
PO	SGT	SGT	127.25 123.48	130.55 126.68	133.86 129.89	137.16 133.10	140.48 136.30	143.78 139.52	147.08 142.72
LS	CPL	CPL	110.83 107.54	115.25 111.84	119.68 116.14	124.11 120.44	128.54 124.74	132.97 129.03	137.41 133.34
	LCPL		98.82	104.21	109.62	115.02	120.42	125.82	131.23
AB	PTE(P)	LAC	96.91	102.20	107.50	112.80	118.09	123.39	128.69
SMN	PTE	AC	95.04	100.23	105.43	110.62	115.81	121.00	126.20

Other Ranks - Reserve Discounted Rates (\$ per day)

Navy	Army	RAAF	Group 1	Group 2	Group 3	Group 4	Group 5	Group 6	Group 7
CPO	WO2	FSGT	127.64 123.85	130.92 127.04	132.90 128.96	134.87 130.87	136.83 132.78	138.82 134.69	140.75 136.57
	SSGT		117.24	120.30	123.34	126.39	129.44	132.49	135.54
PO	SGT	SGT	108.16 104.96	110.97 107.68	113.78 110.41	116.59 113.13	119.41 115.86	122.22 118.59	125.02 121.31
LS	CPL	CPL	94.21 91.41	97.97 95.06	101.73 98.72	105.49 102.37	109.26 106.03	113.02 109.68	116.80 113.34
	LCPL		84.00	88.58	93.18	97.77	102.36	106.95	111.54
AB	PTE(P)	LAC	82.37	86.87	91.38	95.88	100.38	104.88	109.38
SMN	PTE	AC	80.78	85.20	89.61	94.02	98.44	102.85	107.27

Specific Appointments

	\$ pa
ACRES	39,887
DG Cadets	38,658
Army MAJGEN appt	38,658
Non-Med Army BRIG appt	31,971
Chaplain Division 4 HoD	26,981
COL (Med)	
CL5-1	34,481
CL4	36,549
CL3-3	37,626
BRIG (Med)	
CL5-1	39,636
CL4	38,505
CL3-3	36,332
CL3-2	35,277
CL3-1	34,252

Members Undergoing Training

	\$/day
9 Recruit - basic trg	63.29
10 PTE (E), not completed cat trg or mil trade test	74.01
11 Officer Training Unit: without a degree	71.54
with a degree	76.00

Senior Officers (\$ per day)

Navy	Army	RAAF	Base Rate	Max Rate
RADM	MAJGEN	AVM	423.64	508.37
CDRE	BRIG	AIRCORE	350.36	420.43

Warrant Officers - Reserve Discounted Rate

Rank - Increment	Group 1	Group 2	Group 2A	Group 3	Group 4	Group 4A	Group 4B	Group 4C	Group 4D	Group 5	Group 5A	Group 6	Group 7	Group 8
WO1 - 1	140.01	147.40	151.66	155.93	163.32	164.45	165.68	167.99	169.52	171.55	173.49	180.78	190.05	200.08
WO1 - 0	135.83	143.02	147.28	151.55	158.93	160.07	161.30	163.61	165.14	167.17	169.10	176.40	185.57	195.70

Warrant Officers - Reserve Non Discounted Rate

Rank - Increment	Group 1	Group 2	Group 2A	Group 3	Group 4	Group 4A	Group 4B	Group 4C	Group 4D	Group 5	Group 5A	Group 6	Group 7	Group 8
WO1 - 1	164.72	173.41	178.43	183.45	192.14	193.47	194.92	197.64	199.43	201.82	204.10	212.69	223.59	235.39
WO1 - 0	159.57	166.26	173.27	178.29	186.98	188.31	189.76	192.48	194.28	196.67	198.95	207.53	218.44	230.24

Officers - Reserve Discounted Rate

Navy	Army	RAAF	Group 1	Group 2	Group 2A	Group 3	Group 3A	Group 4	Group 4A	Group 4C	Group 5	Group 6	Group 7	Group 8	Group 9*	Group 10*
CAPT	COL	GPCAPT	286.41	274.24	278.75	283.27	287.52	291.09	292.29	296.04	299.81	309.59	319.40	330.02	340.64	347.74
CMDR	LTCOL	WGCDR	234.19 226.53	242.02 234.36	246.53 236.87	251.05 243.39	255.29 247.64	258.87 251.21	260.07 252.41	263.82 256.15	267.59 259.93	277.36 269.70	287.17 279.52	297.80 290.14	308.42 300.76	315.52 307.85
LCDR	MAJ	SQNLDR	189.89 158.94	177.51 166.76	182.02 171.27	186.54 175.79	190.79 180.04	194.36 183.61	195.56 184.81	199.31 188.56	203.08 192.33	212.86 202.11	222.67 211.92	233.29 222.54	243.91 233.16	251.01 240.26
LEUT	CAPT	FLTLT	144.90 134.69 124.48	152.73 142.51 132.30	157.24 147.02 136.81	161.75 151.54 141.33	166.01 155.79 145.58	169.57 159.36 149.15	170.78 160.56 150.35	174.53 164.31 154.10	178.30 168.08 157.87	188.07 177.86 167.65	197.88 187.57 177.46	208.50 198.29 188.08	219.13 208.91 198.70	226.2 216.01 205.80
SBLT	LT	FLGOFF	111.57 103.48	119.40 111.30	123.91 115.81	128.42 120.33	132.67 124.58	136.25 128.15	137.45 129.35	141.19 133.10	144.97 136.87	154.74 146.65	164.55 156.46	175.18 167.08	185.80 177.70	192.89 184.80
ASLT	2LT	PLTOFF	100.08 96.68	107.91 104.51	112.42 109.02	116.94 113.54	121.18 117.78	124.75 121.36	125.95 122.56	129.70 126.31	133.48 130.08	143.25 139.85	153.06 149.67	163.68 160.29	174.31 170.91	181.40 176.01

Officers - Reserve Non Discounted Rate

Navy	Army	RAAF	Group 1	Group 2	Group 2A	Group 3	Group 3A	Group 4	Group 4A	Group 4C	Group 5	Group 6	Group 7	Group 8	Group 9*	Group 10*
CAPT	COL	GPCAPT	298.02	304.71	309.72	314.74	319.47	323.43	324.76	328.93	333.12	343.99	354.88	366.69	378.49	386.37
CMDR	LTCOL	WGCDR	260.21 251.70	268.91 260.40	273.92 265.41	278.94 270.43	283.66 275.15	287.63 279.12	288.96 280.45	293.13 284.62	297.32 288.81	308.18 299.67	319.08 310.57	330.88 322.38	342.69 334.18	350.57 342.06
LCDR	MAJ	SQNLDR	188.54 176.60	197.24 185.29	202.25 190.30	207.27 195.32	211.99 200.05	215.96 204.01	217.29 205.35	221.45 209.51	225.65 213.70	236.51 224.57	247.41 235.47	259.21 247.27	271.01 259.07	278.90 266.95
LEUT	CAPT	FLTLT	161.00 149.65 138.31	169.70 158.35 147.00	174.71 163.36 152.01	179.73 168.38 157.03	184.45 173.10 161.76	188.42 177.07 165.72	189.75 178.40 167.06	193.92 182.57 171.22	198.11 186.76 175.41	208.97 197.62 186.28	219.87 208.52 197.18	231.67 220.32 208.98	243.47 232.13 220.78	251.38 240.01 228.67
SBLT	LT	FLGOFF	123.97 114.98	132.66 123.67	137.67 128.68	142.69 133.70	147.42 138.43	151.38 142.39	152.72 143.72	156.88 147.89	161.07 152.08	171.94 162.95	182.84 173.85	194.64 185.65	206.44 197.45	214.32 205.33
ASLT	2LT	PLTOFF	111.20 107.42	119.90 116.12	124.91 121.13	129.93 126.15	134.65 130.87	138.62 134.84	139.95 136.17	144.12 140.34	148.31 144.53	159.17 155.39	170.07 166.30	181.87 178.10	193.67 189.90	201.56 197.78

**ADF AND COMMONWEALTH JOINT
SUBMISSION**

**REMUNERATION REFORM
PROJECT
PHASE 4**



MATTER NUMBER 2 OF 2003

5 DECEMBER 2006

**ADF AND COMMONWEALTH JOINT
SUBMISSION**

REMUNERATION REFORM PROJECT PHASE 4

OTHER RANKS PAY STRUCTURE

Matter 2 of 2003

5 December 2006



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EXECUTIVE SUMMARY

On 27 February 2006 the Tribunal stated in its Reasons for Decision regarding the Remuneration Reform Project Phase 3 that “work must now progress, as a matter of urgency, to complete a pay structure for the Other Ranks which also includes the Qualification and Skill elements of allowances”. Enclosed is a joint ADF and Commonwealth submission that responds to the DFRT direction and follows on from the conference held with the Tribunal regarding RRP Phase 4 on 21 September 2006.

This submission seeks to create a 16 Pay Group structure for Other Ranks to allow the transparent incorporation of the Qualification and Skill elements of allowances. This submission also identifies the structural problem of compression and incursion of remuneration between the OR and WO1(E) structures.

The RRP Phase 4 model enclosed has been approved by the Defence People Committee and endorsed by the Chief of Services Committee.

PART 1 – INDUSTRIAL HISTORY

Background

1.1 Phase 4 of the Remuneration Reform Project (RRP) was developed with regard to the industrial history of pay setting in the ADF and in particular Other Ranks (OR) pay.

1.2 The OR remuneration structure forms the basis under which all sailors, soldiers and airmen are paid salary. The system is a two-dimensional structure in which personnel are remunerated according to both their seniority within rank, and the work value of their employment category. Separate to the structure are a number of qualification and skill (Q&S) allowances that are paid in addition to salary. These include Flying, Submarine Service, Special Action Forces and Special Operations Allowances.

1.3 RRP Phase 4 details the ADF and Commonwealth joint proposal to roll-in Q&S elements of allowances into pay in accordance with recent reform made under RRP Phase 3. In order to understand the complexities associated with RRP Phase 4, the following information is provided as a short synopsis of Other Ranks pay setting arrangements and details the current OR pay structure.

INDUSTRIAL HISTORY

1.4 The OR remuneration structure has existed in a similar form since it was established by the Allison Committee in 1972. Since that time it has been amended and enhanced as a result of successive reviews. The current structure has been in place since the 1995 Pay Structure Review. Up to now this remuneration structure has served the ADF well. It has provided flexibility for recognition of differing work value levels throughout the OR employment structure, maintained a balance of internal relativity across the structure, and conformed to the principle of organisational worth in relation to the relative placement of employment categories within the structure.

Pay Structure Review 1995

1.5 The last substantial changes to the OR pay structure occurred in the Pay Structure Review 1995 (PSR). The PSR was initiated by the Chief of the Defence Force in 1991 and heard by the DFRT between 1991 and 1995. Pay Levels 1 and 2 were merged as there were few employment categories at these levels and only a small number of members on Pay Level 1. Pay Levels 1-7 were replaced with Pay Groups 1-7.

1.6 In PSR 95, Pay Group margins between Pay Groups were expressed as a percentage change from Pay Group 3, with Pay Group 3 representing the base Pay Group. The percentage margins established progressively decreased at each rank level through to a common scale at the WO1(E) level. This reflected the increasing use of managerial skills rather than trade skills by members at the upper ranks. This principle was applied by the Committee of Inquiry into Financial Terms and Conditions of Service for Male and Female Members of the Regular Armed Forces (COI) (1970-1972) and the Committee of Reference (COR) (1972-1982). The COR later determined (1981) that this was no longer appropriate as members at the SGT(E) and WO2(E) rank were exercising both managerial and trade skills and as such differential pay was expanded up to WO2(E).

1.7 The PSR also introduced a work value based Definitional Framework. The purpose of the framework was to define the work value associated with the Pay Groups in the structure and the benchmarks that exemplified this framework. This provided a justification for the placement of employment categories in the structure. The current Definitional Framework is described in further detail in Part 7 of this Submission.

Internal ADF Reviews

1.8 Recent ADF reviews have indicated that the current OR remuneration structure is approaching the limit of its utility to the ADF. Specifically, the Review of Other Ranks Remuneration 2005 (RORR) recognised that there has been a general increase in the level of trade skills utilised within employment categories. The review recognised that it is inevitable that the structure will soon demand a means of paying rates higher than is currently provided by Pay Group 7. In 2005 an ADF working group into the provision of differential pay for WO1(E) also acknowledged that the OR remuneration structure had become limited in its ability to recognise differences in the employment of WO1(E) personnel.

1.9 Since 1995 the median Pay Group for OR personnel has changed from Pay Group 3 to 4. This upskilling trend has also pushed the boundary of the available remuneration system; in 1995 there were three employment categories with access to Pay Group 7, whereas currently there are 14.

CURRENT OR REMUNERATION STRUCTURE

1.10 The current OR remuneration structure consists of a seven Pay Group graded structure which accommodates some 240 separate trade groups (employment categories), consisting of

some 35,000 permanent OR personnel. There are currently seven broadbanded pay groups that provide recognition of work value, ranging as indicated:

- a. Pay Group 1, unskilled apart from completion of recruit course;
- b. Pay Group 2, semi-skilled;
- c. Pay Group 3, qualified in a non-technical trade;
- d. Pay Group 4, advanced qualification in a non-technical trade;
- e. Pay Group 5, qualified in a technical trade;
- f. Pay Group 6, advanced qualification in a technical trade; and
- g. Pay Group 7, systems technician or para-professional.

1.11 The OR remuneration structure is anchored at the industrial benchmark of PTE(E), Pay Group 3. This represents the point at which the majority of ADF personnel first become qualified in a trade. All other pay rates at each rank, Pay Group and increment can be derived as a percentage increase or decrease from this point. A diagram indicating this relationship is at Annex B.

1.12 Categories are allocated to Pay Groups by the DFRT according to the extent to which they satisfy the criteria contained within the Definitional Framework. The framework assesses the trade-based element of work value under the criteria of qualifications, range of skills, depth of knowledge, range of actions and complexity of actions. The current management of ORs and the Definitional Framework is at Annex A. Personnel within a particular category may move from their initial allocated Pay Group, to other higher Pay Groups as their career progresses and levels of trade skill increase.

1.13 The margins between Pay Groups are consistent at each rank level but reduce with each increase in rank to recognise that as a member is promoted, their rank skills become more prevalent whereas the trade skills become less. The margins at each rank are based on percentage point differences from Pay Group 3. For example, at the PTE (E) level, Pay Group margins were established at 5% around Pay Group 3 (considered the benchmark trades level). For example, Pay Group 2 was 95% of the salary rate for Pay Group 3 while Pay Group 5 was 110% of this salary rate.

1.14 The current margins were established in PSR 1995. The precise margins that exist in the current salary rates of the structure actually differ from this due to rounding over time with each wage increase provided under successive Workplace Remuneration Arrangements (WRA) (and its predecessors). Percentage salary increases applied to all pay points of the matrix would not otherwise alter the established percentage-based margins.

1.15 The current permanent population of the OR pay structure is detailed in Table B3 of Annex B). Note that the higher a member's rank the more likely they are to be in the higher pay groups. The median pay group for PTE(E) is Pay Group 2 whereas it is Pay Group 5 for WO2(E).

1.16 In addition to the salary structure there are a number of salary-related allowances set by the DFRT under s.58H of the *Defence Act 1903*. Included within the Flying, Submarine Service, Special Action Forces and Specialist Operations Allowances are specific amounts to recognise the application of specific qualifications and skills. These Q&S elements are paid on a continuous basis and vary from \$1,830 to \$18,301 per annum. The Q&S elements of a number of allowances involve a number of tiers to recognise progression in qualifications and skills and to distinguish between different roles. The interaction of these Q&S elements with the OR remuneration structure is complex because they are paid across a variety of ranks and Pay Groups. Table C1 and Chart C1 of Annex C reveal the number of members currently receiving Q&S elements disaggregated by rank and Pay Group.

RECENT REFORM

The Remuneration Reform Project Phases 1 - 3

1.17 The Remuneration Reform Project (RRP) was established as a result of recommendations made by the Nunn Review in 2001. In particular this review noted that "qualification and skills used on a regular basis throughout a member's career be compensated through inclusion in superannuable salary"¹. RRP Phases 1-3 proceeded on the basis of firstly making the major Q&S elements of allowances superannuable, and secondly incorporating the Q&S elements of these allowances into a graded pay structure for officers. Phase 3 was extended to include WO1(E) in 2005. The graded pay structures for officers (O1-O6) and WO1(E) were approved by the DFRT on 27 Feb 06. Phase 3 was introduced on 5 Oct 06. Work is continuing on the placement of ADF officers in the new structure in accordance with the draft DFRT program.

¹ Review of Australian Defence Force Remuneration – Nunn Review 2001 P.43

PART 2 – REQUIREMENT FOR RRP PHASE 4 / KEY CONSIDERATIONS

Requirement for RRP Phase 4

2.1 In the development of RRP Phase 3 it was evident that RRP Phase 4 would be required to ensure that Q&S elements of allowances could be rolled into OR salary in a consistent manner to both officer and WO1(E) pay. The Tribunal noted in its Reasons for Decision regarding RRP Phase 3 that:

“Work must now progress, as a matter of urgency, to complete a pay structure for the Other Ranks which also includes the Qualification and Skill elements of allowances. No to do so would cause an anomalous situation when a s.58H allowance is reviewed.”

2.2 In response to the guidance provided by the Tribunal both the ADF and Commonwealth allocated resources to meet the DFRT’s requirements of reviewing OR pay by the third quarter of 2006. The ADF and Commonwealth also embraced the requirement to roll-in Q&S elements of allowances as an opportunity to address limitations of the current structure by conducting more fundamental remuneration reform.

Joint Project Team

2.3 In order to expedite RRP Phase 4, a Project Team consisting of staff from the Directorate of Military Salaries and Allowances - Policy, the Department of Employment and Workplace Relations, and Livingstones Australia (an external industrial relations and human resources consultancy) was established in May 06. The Project Team was tasked with researching and developing options for a new OR remuneration structure that absorbed the Q&S elements of allowances in a manner consistent with the graded structures introduced for officers and WO1(E) under Phase 3. The Terms of Reference for the Project Team are detailed in Annex D.

2.4 In order to ensure that the single Service perspectives on changes to the structure were obtained, a Working Group comprising representatives of the three Services and the Project Team was formed.

Limitations of Current OR Structure

2.5 Although the roll-in of Q&S allowances for ORs would eliminate the anomaly between officers and ORs, the current OR pay structure has a number of limitations that need to be addressed as part of the reform process.

2.6 The current OR pay structure cannot absorb allowances without significantly undermining the industrial basis for work value differentials across the existing OR trades. The simple 'roll-in' of allowances in a manner similar to the graded officers pay structure requires the creation of between 90 to 100 Pay Groups (thereby ensuring cost neutrality and no disadvantage to any member). Such a large number of Pay Groups is untenable from both an administrative and industrial perspective. It would be difficult, if not impossible, for the ADF to run OR employment category cases to the DFRT in such an environment.

2.7 The current OR pay structure also limits the placement of employment groups as it cannot take into account other considerations such as Q&S elements of allowances and attraction and retention. The current Definitional Framework is too restrictive in regards to the assessment of work value. Within the OR pay structure, there is an inconsistent approach to remuneration for significant changes in work value at different rank levels. This is due to the fact that differentials decrease with rank. For example a WO2(E) is rewarded \$844 for Pay Group (PG) movement from PG 4 to PG 5 compared to a PTE(E) who is rewarded \$1895. Although this compression is an intended outcome of PSR 95, the significance of this compression has been increased overtime due to the movement of employment categories over the past decade.

2.8 Notwithstanding the many limitations of the current OR structure, it also has a number of strengths. These include:

- a. the relativities between employment categories across the pay groups are widely considered to be fair and appropriate under the guide of the 'definitional framework' and 'benchmark categories',
- b. OR members are rewarded for their rank (ie, managerial) skills as well as trade skills, and
- c. the ADF workforce culturally accepts the basis for differentiation under the current structure.

KEY CONSIDERATIONS

2.9 The Joint Project Team considered a number of competing interests in developing a new OR's pay structure. These included:

- a. the need to create significant differentials between Pay Groups to reward significant changes in work value,
- b. the requirement to minimise rounding up of allowances (the greater the differential the more the rounding),
- c. the desire to minimise use of transitional pay points,
- d. the desire to ensure there is no detriment to any members, and
- e. the desire to ensure relativities between all employment groups are not significantly changed.

PART 3 – RRP PHASE 4 PROPOSITION

RRP Phase 4 Proposition

3.1 The changing nature of OR employment and the need for the transparent roll-in of the Q&S elements of allowances has led to the development of a joint proposition by the ADF and Commonwealth for a 16 Pay Group structure.

Characteristics of Proposal

3.2 This proposal seeks to expand the current 7 Pay Group structure to 16 Pay Groups to allow the incorporation of specified Q&S elements of allowances. Under this structure consistent differentials are applied from Pay Group 3 onwards (changes salary points from Pay Group 4 onwards) to allow the incorporation of Q&S elements of allowances that are banded into \$2084 bands. The \$2,084 differential reflects the 16 November 2006 WRA increase to the original development model that proposed \$2,000 differentials. Under this structure Pay Group 3 continues to be used as the “base” rate for a PTE(E) from the OR Pay Structure Review completed in 1995. Table E1 at Annex E illustrates the new salary structure under this option. Chart E1 is a graphical representation of Pay Groups by rank. The main characteristics are as follows:

- a. differentials of \$2084 are established between all Pay Groups at all rank levels from Pay Group 3;
- b. Pay Groups 1, 2 and 3 maintain their current salary rates (populating the differentials to the left of Pay Group 3 would cause detriment to current members in Pay Groups 1 and 2, while starting the differential from Pay Group 1 would increase the incursion into the WO1(E) and officers pay structures);
- c. Q&S elements of allowances are banded into multiples of \$2,084, the band would then determine placement in the new structure by specifying the number of Pay Groups the member advances (refer to Table E2 of Annex E); and
- d. OR members in Pay Groups 4-7 not receiving Q&S elements of allowances would also receive an increase in their salary i.e. differential would increase by a small amount at the lower ranks (from \$1894 to \$2084), but increase by a larger amount (from around \$ 850 to \$2084) at the higher ranks.

Benefits of the Joint Proposal

3.3 The joint proposal to transition to a 16 Pay Group structure allows for the consistent treatment of those in receipt of Q&S elements of allowances in terms of the number of Pay Groups they advance, transition is also transparent and easy to understand.

3.4 The application of increasing the differentials between Pay Groups also ensures that significant changes in work value are rewarded at all rank levels. This overcomes a limitation of the current structure where differentials between Pay Groups significantly reduce with rank, causing compression of the structure.

3.5 In light of considerations made by the joint project team the new 16 Pay Group structure ensures all OR members not in receipt of Q&S allowances retain their current Pay Group, and in doing so maintain the basis for their differentiation.

3.6 The new structure is also consistent with the graded structures for O1-O6 officers and WO1(E) because differentials are represented by dollar amounts rather than the application of percentage based differentials.

Effect on Current Salary Rates

3.7 To facilitate the fair and transparent roll-in of Q&S elements of allowances the \$2,084 differential is applied across the pay structure from Pay Group 3. The adjustment to pay points from Pay Group 4 results in improved remuneration for the more highly skilled OR's, and in particular the Senior Non-Commissioned officers in the higher Pay Groups. There is a correlation between these employment groups and the current employment groups that are experiencing retention concerns. It is therefore anticipated that the adjustment to the current pay points will have a positive effect on attracting and retaining highly skilled personnel to the ADF by rewarding increases in work value across the entire OR pay structure.

Roll-in of Allowances

3.8 The ADF proposal incorporates the Q&S elements of allowances in a consistent manner with the graded officers pay structure and applies a consistent methodology in regards to the rounding up of the various Q&S elements of allowances. The rounding up of allowances and method of incorporation into the 16 Pay Group structure is detailed in Table E2 of Annex E.

3.9 As an example, to allow the incorporation of a member on Submarine Service Allowance into the new structure, the member will be moved an additional 5 Pay Groups in accordance with Table E2 in Annex E. The consistent methodology applied to the number of

Pay Groups a member on a Q&S element of an allowance moves allows for a fair and equitable treatment of members on allowances.

3.10 The requirement to move members on allowances to new Pay Groups results in the Sub-categorisation of current employment categories. This ensures that members in receipt of allowances are placed in the appropriate Pay Group on transition and into the future. As an example, a cook who is in receipt of Submarine Service Allowance will now be categorised as a: Cook – Submariner. Details of this Sub-categorisation can be found in the attached draft Determination at Annex F (note this draft Determination reflects the 2.8% WRA increase that takes effect on 9 Aug 07).

Clearance through ADF Committee System

3.11 The ADF proposal presented in this submission was approved by the Defence People Committee (DPC) on 6 Sep 06. The broad proposition as approved by the DPC was presented in conference to the Tribunal on 21 Sep 06. In noting the Tribunals in principle support for the methodology adopted by the ADF and Commonwealth, the proposition was endorsed by the Chief of Service Committee on 27 Oct 06. Defence has sought additional funding from government to support the additional costs required to implement the proposed new pay structure.

PART 4 – STRUCTURAL NECESSITY TO PLACE WO1(E)

Structural Problem

4.1 The ADF and Commonwealth have identified a structural problem at the WO1(E) level associated with establishing the 16 Pay Group structure for ORs. As a consequence of establishing the 16 Pay Group structure the differentials at the WO2(E) level cause increased compression and incursion of remuneration between the OR's and WO1(E) structure.

Compression was already a concern under the old structure where a WO2(E) on promotion to WO1(E) from Pay Group 7 only received \$973. As a consequence of RRP Phase 4 the same member will, on promotion to WO2(E), move to a Pay Grade that is some \$3,989 less due to making the transition from Pay Group 7 in the ORs structure to Pay Grade 2 in the WO1(E) structure.

4.2 The ADF and Commonwealth believe this outcome is structurally unsound. In order to address pay compression and incursion between the ORs and WO1(E) structure the ADF will be seeking to place WO1(E) employment categories in the first half of 2007 after conducting a full assessment of WO1(E) employment. The ADF and Commonwealth submit that the placement of WO1(E) in a timely manner will address the structural problem that has been identified. In this regard the ADF and Commonwealth believe that this problem does not unduly impact on the RRP Phase 4 proposal.

PART 5 – REMUNERATION ENDSTATE - RRP PHASE 4

Structural Endstate

5.1 RRP Phase 4 will establish a \$2,084 differential between Pay Groups for ORs, this differential represents over a 5% differential at the PTE(E) level and around a 3% differential at the WO2(E) level. This is a significant improvement to the current WO2(E) differential which is currently 1.5% between Pay Groups. By increasing the differential at the higher rank levels the proposed new structure overcomes the compression problems associated with the current pay structure.

5.2 At the completion of the transition to the 16 Pay Group structure approximately 95% of OR's will remain in their current Pay Group, with the remaining 5% moving to higher Pay Groups due to the roll-in of the Q&S elements of allowances.

Consideration of Future Reform

5.3 In the development of RRP Phase 4 both the ADF and Commonwealth have been cognisant of the need to consider the impact / prospect for future reform to ADF pay structures. This consideration has led to the development of a further option to consolidate the proposed 16 Pay Group OR structure to 8 Pay Groups. This would further align the OR's structure with the WO1(E) structure by applying a similar differential across all pay structures. Although this future step has been considered, and the RRP Phase 4 structure facilitates this outcome, the ADF has not yet fully explored the consequences of the consolidation. There are however, significant implementation / transitional issues associated with consolidating the structure by either rounding every second employment category up or re-examining / re-benchmarking all employment categories. Due to the potential impact of this consolidation the ADF does not wish to advance this option until it can be considered in full. The ADF will further develop and test this option which may include the consideration of the validity of present pay points over the next 12 months, and, if deemed appropriate, bring a further submission to the Tribunal.

PART 6 – IMPLEMENTATION OF RRP PHASE 4

6.1 Implementation of RRP will be a multi-faceted undertaking that will impact on and/or require preparatory work in each of the following broad areas:

- a. information systems and related processes, in particular the re-programming requirement on ADF pay systems;
- b. personnel and career management processes; and
- c. information dissemination and general ADF awareness.

6.2 The information in this Part of the submission informs the Tribunal as to the nature of work and the approximate timelines required to achieve implementation of RRP Phase 4. The submission seeks from the Tribunal a decision that approves the joint proposal through the signature of the attached Determination at Annex F. This Determination is dated to take effect on the 9 Aug 07, in line with the next WRA salary adjustment to assist with both the communication of the changes and reduce administrative overheads. This implementation timeframe allows for the following to occur prior to 9 Aug 07:

- a. **Systems Integration.** This includes the programming, testing and training of Defence staff in the operation of RRP Phase 4 and its interface with PMKeys, ADF Pay, and CENRESPAY. This has been identified as a particularly large task due to the scope and impact of RRP Phase 4. This task will consume approximately 6 months of work after the Tribunal agrees to implement the 16 Pay Group structure.
- b. **Personnel and Career Management Preparedness.** ADF Pay systems rely on accurate data from HRM systems such as PMKeys. PMKeys data is managed by various organisations in Defence and these organisations will need to be able to effectively manage personnel in the post-RRP Phase 4 environment. A requirement therefore exists to establish new procedures and conduct training for personnel involved in career management and the day to day operation of ADF pay systems. This training will not commence until early 2007 once the posting turbulence associated with end of year postings has subsided and new staff are trained and familiar with their new appointments and duties.
- c. **Information Dissemination.** Involves the dissemination of the DFRT decision and the introduction of the new OR's pay structure to the ADF

community. This needs to be conducted on several levels involving the three Services as the major stakeholder groups.

6.3 The ADF has developed a Communications Strategy for the implementation of RRP Phase 4. Whilst the need to inform ADF members about RRP Phase 4 will not of itself create any delays in implementation, it is the ADF's intent to effect information dissemination in accordance with the planned roll out of RRP Phase 4.

6.4 Implementation activities are planned to complement the decision to agree and implement RRP Phase 4. The type and nature of activities will be:

- a. DFRT decision communicated to ADF members via CDF signal (immediately following DFRT decision),
- b. Feb – Sep 07 - fortnightly implementation meetings co-ordinated by DMSA-P,
- c. Feb – Mar 07 – ADF / Commonwealth to establish pay setting principles for new pay structure,
- d. Mar – Jun 07 - conduct of specific-to-Service briefings conducted by Service representatives supported by DMSA-P staff, and
- e. 9 Aug 07 – 16 Pay Group structure introduced into ADF pay system.

PART 7: FUTURE MANAGEMENT OF OTHER RANKS SALARY MATTERS

Current Definitional Framework and Management

7.1 In order to facilitate the management of OR employment categories the ADF established a Definitional Framework to support PSR 95. This framework defines work through the three dimensions of Pay Group, Rank and Military skills. The Definitional Framework is the primary reference used to decide the value of ADF work on a differential basis.

Military Skills

7.2 The military skills definition applies equally to all trained members and reflects the minimum military skills training common to the three Services. Single Service requirements are not included in the definition. As this is a common factor, it is not used to discriminate between work categories, and has only been included in the Framework for completeness.

Rank Skills

7.3 Rank definitions are provided for every rank. They comprehend the common all Service requirements for each rank and reflect the expectations placed on a member by virtue of their rank, regardless of Category, ECN or muster. All members of a rank group share a common rank definition.

Pay Group Definitions

7.4 Under the current Definitional Framework placement within the 7 Pay Groups is governed by the following criteria:

- a. Qualifications and training,
- b. Range of skills,
- c. Depth of knowledge,
- d. Range of actions, and
- e. Complexity of actions.

Benchmark Categories

7.5 To assist in positioning of categories within the Definitional Framework benchmark categories have been developed as a guide to the typical work level standards in each Pay Group. The benchmark categories allow the ADF and DFRT to conduct a broad relativity check before considering the placement of employment categories within the current Definitional Framework.

Management Process – Development of DFRT Submissions

7.6 The ADF currently applies a robust and transparent process in regards to the development and submission of industrial cases to the DFRT. This process is outlined in detail in Annex A. A key component of this process is the application of the Employment Category Review Committee (ECRC) as the principal advisory committee within the ADF. The ECRC advises the three Services and makes recommendations as to the industrial merit of proposed employment category placement and reviews.

Future Management of Other Ranks Salary Cases

7.7 The transition of the ORs pay structure to 16 Pay Groups and the recent industrial matters concerning officer employment categories requires the ADF to re-examine the applicability of the Definitional Framework. Although this framework has provided the ADF, Commonwealth and the DFRT with a sound base for consideration of Other Ranks industrial matters, there is a requirement to recast the work value environment on which industrial matters will be examined in the future.

7.8 Although the ADF and Commonwealth have not fully explored the context of this new environment it is clear that a more flexible and enduring framework will be required. Such a framework will be governed by principles rather than strict definition. In light of this requirement the ADF will have regard to the current principles governed under the Definitional Framework, but also take account of the new placement criteria being identified and tested under RRP Phase 3 and emerging considerations such as sustainability.

Changing Industrial Environment

7.9 Due to the emergence of a new industrial environment under RRP Phases 3 and 4 it would be premature of the ADF and Commonwealth to offer the Tribunal a clearly defined framework in line with the current Definitional Framework. Instead the ADF and Commonwealth intend to develop a number of principles that will govern the work value framework in which OR industrial matters should be considered. These principles will draw on the current Definitional Framework and considerations made as part of the placement of officer employment categories. The ADF and Commonwealth intend to jointly develop these principles by the first quarter of 2007 and have them tendered to the Tribunal as Annex H of this submission. The ADF and Commonwealth will then be seeking DFRT endorsement of Annex G in the context of DFRT's decision regarding RRP Phase 4. In light of the development of the new placement principles there may be a requirement to review any

employment category anomalies that exist in conjunction with the development of Annex H, and if appropriate address them as part of a joint submission.

DEFENCE FORCE REMUNERATION TRIBUNAL

MATTER NO 2 OF 2003

**REMUNERATION REFORM PROJECT (RRP) PHASE 4
OTHER RANKS PAY STRUCTURE**

STATEMENT

The Tribunals Reasons for Decision on the Remuneration Reform Project Phase 3, on 27 February 2006, stated “work must now progress, as a matter of urgency, to complete a pay structure for the Other Ranks which also includes the Qualification and Skill elements of allowances.”

In a joint submission on 5 December 2006 the Australian Defence Force (ADF) and the Commonwealth sought the introduction of a revised salary structure for Other Ranks.

They proposed creation of a sixteen pay group structure to incorporate Qualification and Skill elements of Special Action Forces Allowance, Special Operations Allowance, Flying Allowance and Submarine Service Allowance, with the following characteristics:

- Pay Groups 1, 2 and 3 maintain their current salary rates;
- differentials of \$2084 between each Pay Group at all rank levels from Pay Group 3;
- Q & S elements of allowances banded into multiples of \$2084. A member currently receiving one of the specified Q & S allowances is to advance in the new structure to the corresponding Pay Group; and
- salaries increase for members in Pay Groups 4 – 7. Pay Group differentials would increase by a small amount at the lower ranks (from \$1894 to \$2084), but increase by a larger amount (from around \$850 to \$2084) at the higher ranks.

Having considered the submission, we are satisfied that the proposed structure forms a sound basis for remunerating Other Ranks. The structure not only accommodates the incorporation of allowances but also reduces compression at the higher ranks. We have therefore decided to approve the structure as sought by the parties.

The Tribunal has, on a number of occasions, questioned the adequacy of salary progression for a Warrant Officer Class 2 (Equivalent) to Warrant Officer Class 1 (Equivalent). We note that the parties are to bring a placement case for the new Warrant Officer pay scale in the first half of 2007.

We also note that the ADF and the Commonwealth, acknowledging the need for further remuneration reform, are considering the option to further consolidate the proposed 16 pay group structure to 8 pay groups, and encourage this sensible progression.

The new structure is to apply on and from 9 August 2007. However, we encourage the ADF to apply itself to earlier implementation and would re-open the case to accommodate an earlier date of effect.

The parties should provide a draft determination to the Tribunal Secretariat by the end of January. In drafting the determination, the parties should carefully consider the comments that we have made during the course of the proceedings.

We will publish our Reasons for Decision in due course.

SENATE STANDING COMMITTEE ON FOREIGN AFFAIRS, DEFENCE AND TRADE – MAY 2007

REMUNERATION REFORM PROJECT

ISSUE: What progress has been made on remuneration reform in the ADF?

TALKING POINTS:

- The ADF has undertaken, and continues to undertake, significant reform of remuneration arrangements for its members.
- Between 2000 and 2003, specialist competency-based salary structures were established for Legal Officers, Medical Officers, Dentists, and Chaplains.
- Following the Nunn Review of ADF remuneration in 2001, Defence initiated the Remuneration Reform Project.
- The Remuneration Reform Project has involved a four-phase approach to reforming ADF pay structures and rolling in of the qualification and skill elements of certain allowances to salary.
 - **Phase One** quantified the Qualification and Skill, and Disability components of the major environmental allowances, that is, flying, submarine service, special action forces and special operations allowances. This phase concluded in mid-2003.
 - In **Phase Two**, the Qualification and Skill elements of the major environmental allowances were made superannuable. The Defence Force Death Benefits Act Regulations and the Military Superannuation Benefits Scheme Rules were amended in August 2004 to make the Qualification and Skill elements part of superannuable salary.
 - **Phase Three** involved the development of a graded pay structure for officers and Warrant Officers Class One. The new pay structure incorporates the Qualifications and Skills elements of the flying, submarine service, special action forces and special operations allowances as part of salary for all officers and Warrant Officers Class One. This was implemented on 5 October 2006.

- The ADF is currently making submissions to the Defence Force Remuneration Tribunal for the placement of all ADF officer employment categories in the new pay structure. This exercise will provide increased pay for many ADF officers and is proposed to take effect on 9 August 2007.
- **Phase Four** involves the restructure of Other Ranks pay by rolling into salary the qualification and skill elements of allowances in a manner similar to the officers. On 13 December 2006, the Defence Force Remuneration Tribunal approved a new 16 pay grade structure for Other Ranks. The new structure will be implemented on 9 August 2007.
- Further reform of the Other Rank pay structure is planned beyond August this year. It is intended to reduce the number of pay grades from 16 to 8. This will provide a more robust and enduring structure in which there is more significant differentiation between pay grades and improved remuneration reward for increased levels of skill.

ORIGINAL AUTHORISED BY:

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May 07

Remuneration Reform Project

The aim of the Remuneration Reform Project is reforming ADF pay to make it more flexible and contemporary. A key component is the rolling in of the Qualification and Skill (Q&S) elements of Flying, Submarine Service, Special Operations and Special Action Forces Allowances to salary.

The Nunn Review recommended, and the Government accepted, that Q&S payments be rolled in to salary as they are paid continuously in recognition of Q&S held and used through out a member's career. In contrast, disability payments are periodic, only being paid when on duty incurring the disability.

The RRP has progressed through four distinct phases to achieve pay reform, they are:

- **Phase 1** Quantify the Attraction and Retention, Qualification and Skill and Disability components of the major environmental allowances, Flying, Submarine Service, Special Operations and Special Action Forces Allowances.

Test Case and Outcome

- **Phase 2** Make the Qualification and Skill elements of the major environmental allowances superannuable.

Making Q&S Superannuable

- **Phase 3** Develop graded pay structures for Officers and WO1(E) to incorporate the qualifications and skill elements of Flying, Submarine Service, Special Action Forces and Special Operations Allowances into salary.

Officer's Pay Structures

WO1(E) Pay Structure

- **Phase 4** Restructure Other Ranks' pay by rolling into salary the qualification and skill elements of allowances in a manner similar to the officers.

New Other Ranks Pay Structure

Links for additional information.

What's been implemented so far ?

Reserve Pay Outcomes

Why Pay Reform?

Feed back Link

RRP Phase 1 – Test Case Q&S and A&R

Phase 1 of RRP was to quantify the three separate elements of the four major allowances. These are: Disability, Qualification and Skill (Q&S), and Attraction and Retention (A&R).

The ADF Sought to identify the dollar value of all three elements of these allowances. Disability has a clear dollar value attached and was solely for the disability associated with service. However, Q&S contained within it an A&R component. The value of the A&R component could not be clearly quantified, as previous allowance cases had not clearly articulated which of the Q&S element was 'qualification and skill', and which was purely 'attraction and retention'.

Using Submarine Service Allowance as a test case the ADF made a proposal to the DFRT to identify the unquantified Attraction and Retention that existed within the Q&S element of each allowance.

The intention of this submission was allow the ADF to roll the purely Q&S element into salary, retain the disability element as an allowance and use the A&R component to create separate attraction and retention allowances and bonuses for Submariners.

The Tribunal stated it had difficulty with the arguments presented by the ADF and could find nothing in the 2001 Tribunal decision on Submarine Service Allowance which provided any support for isolating any Attraction and Retention component.

Therefore, as a result of the Tribunals findings, the ADF agreed that the rate of Q&S associated with the four allowances contained an A&R element that could not be separated. On this basis the ADF proceeded with RRP on the understanding that the full Q&S rate for each allowance must be considered for rolling into salary.

RRP Phase 2 – Making Q&S Superannuable

Following on from the Defence Force Remuneration Tribunal (DFRT) decision on Phase 1 the ADF prepared a proposal to the Minister of Defence to make the Qualification and Skill (Q&S) elements of Flying, Special Action Forces, Specialist Operations and Submarine Service allowances part of the member's salary for the calculation of superannuation (whilst in receipt of the Q&S element).

On 01 Mar 04 the Government endorsed this proposal and the ADF sought approval for the necessary amendments to the regulations of the DFRDB Act and the MSBS Board Rules. The definition of salary for each of the Superannuation Schemes had to be amended to include these payments as salary for the calculation of superannuation benefits.

The agreement of the MSBS Board was received on 14 May 2004 and that of the Federal Executive Council (DFRDB) on 24 Jun 2004. The changes were then gazetted on 1 July 2004 by the Office of Legislative Drafting to give effect to the changes for both MSBS and DFRDB schemes.

The implementation dates were 12 Aug 04 for MSBS and 13 Aug 04 for DFRDB (to take into account of differences in administration between the schemes).

RRP Phase 3 – Graded Officer's Pay Structures

Following Phase 2 and the roll-in of the Qualification and Skill (Q&S) elements of Flying, Submarine, Special Action Forces and Special Operations allowances into superannuation, RRP Phase 3 was geared to develop new pay structures for Officers and WO1(E) to reflect this element of the allowance as salary. Both of these groups were remunerated on a common scale prior to Phase 3.

In order to proceed forward with the development of these pay scales, the ADF, through a series of hearings with the DFRT in 2004/05, provided sufficient evidence to proceed. The following issues were covered during the hearings:

- Setting up a differential pay structure for Officers and WO1(E) to incorporate Q&S payments;
- Determining the underpinning principles and business processes for the Graded Officer Pay Scale (GOPS);
- Determining the methodology for placement of members into the Officer's and WO1(E) pay structures;
- Establishing a banded pay structure for O7-O8 officers
- Develop a suitable pay structure for Warrant Officers to incorporate Q&S allowances; and
- Transitioning officers into the structure at salary rates or salary rates plus relevant Q&S payments.

Graded Officer Pay Structure (GOPS)

The pay structure proposed by the ADF contained 10 pay grades. It used the current Officers Common Scale and the quanta of existing Q&S elements to

create pay grades and provide differential pay points for officers at all ranks. The Officer Common Scale was included as Pay Grade 2. The submissions also proposed the introduction of a placement methodology which would operate to govern the placement or movement of officers within the new pay structure.

Transitional Pay Grades

The Graded Pay Structure for Officers has been established with 10 substantive Pay Grades based around approximate \$3,500 to \$4,000 differentials. Where possible, the Q&S elements of Flying, Submarine Service, Special Operations and Special Action Forces allowances have informed the rate for the substantive pay grades.

Where an allowance rate could not be utilised as a substantive Pay Grade by utilising the appropriate differential of \$3,500, a transitional rate was developed. These Transitional Pay grades have been established to accommodate the members in receipt of one of these allowances on start-up of the new structure.

The transitional Pay Grades will not be populated by future pay cases. They will eventually close after each category is placed in a substantive pay grade following full work value analysis and subsequent determinations by the DFRT.

ADF Members will be informed as these cases are progressed to the DFRT.

Implementation of the Graded Officer Pay Structure

The GOPS was introduced on 5 Oct 06. Officers were placed at pay grades according to their total salary, that is the Officer Common Scale rate plus the value of the four major Q&S payment for which they were eligible. Officers not eligible for a Q&S allowance were placed at Pay Grade 2.

Future Placement of Officers

Introduction of a graded pay structure now allows the ADF to determine the salary of each officer employment category based on their contribution to ADF capability. As a result future pay placement proposals will be taken to the DFRT based on work value, capability and sustainability considerations as was the case with Air Traffic Controllers and ADF Engineer cases in 2006.

These officer categories were considered as priority cases by the ADF for placement within the GOPS by the DFRT. Both have significant and enduring retention problems impacting on capability. The Tribunal handed down interim decisions in Feb 07 in both cases with the intention of deciding on final placement later in 2007.

The ADF is now in the process of preparing a submission to the DFRT on the placement of all other officer categories. The submission will be considered in 3 hearings between May and July 2007. Depending on the outcome these hearings officer categories will be placed within the GOPS at pay grades reflecting their contribution to ADF capability. At this time the Tribunal is expected to decide the final placement of Air Traffic Controllers and ADF Engineers.

RRP Phase 3 - WO1(E) Pay Structures

Background

The need for a new pay structure for WO1(E) was raised with the Defence Force Remuneration Tribunal (DFRT) by the ADF as part of the RRP Phase 3 considerations. On implementation of a Graded Officer Pay Structure (GOPS), WO1(E) would be the only sector of the ADF not covered by a pay structure that would allow the roll in of qualification and skill payments and recognise differential work value.

In May 05 the ADF presented a case for differential pay for the WO1(E) employment groups to the DFRT. The DFRT considered the submission but withheld comment pending the findings of an ADF initiated working group on WO1(E) employment. The working group subsequently found that sufficient differentiation occurs within the WO1(E) group to justify differential pay.

As a result, the Tribunal agreed that a separate Warrant Officer pay scale was justified to differentiate between WO1(E) employment groups.

On 5 October 2006 a graded pay structure for WO1(E) was introduced, with 8 pay grades and 6 transitional pay grades to allow the roll in of qualification and skill payments. Since October 06 the ADF has further developed the WO1(E) graded pay structure.

ADF WO1(E) proposal 2007

In June 07 the ADF will propose to the DFRT that the WO1(E) pay structure be reduced to 8 pay grades with the steps between pay grades set at \$4100 to make them consistent and substantial. As the nature of WO1(E) work is generally trade or trade related, placement will be based on member's employment category. That is on promotion from CPO, WO2 and FSGT initial placement will be informed by prior salary placement in the OR structure.

The ADF will also put forward a proposal for further pay progression for WO1(E) employed in higher management jobs not directly related to their trade.

A hearing with the DFRT is scheduled for 19 Jun 07.

RRP Phase 4 - Other Ranks Pay Structure

Requirement for RRP Phase 4

In development of RRP Phase 3, it was evident that RRP Phase 4 would be required to ensure that the qualification and skill elements of allowances are rolled into OR salary in a consistent manner to both Officer and WO1(E) pay. The Defence Force Remuneration Tribunal (DFRT) noted in its Reasons for Decision regarding RRP Phase 3 that:

“Work must now progress, as a matter of urgency, to complete a pay structure for the Other Ranks which also include the Qualification and Skill elements of allowances. Not to do so would cause an anomalous situation when s.58H allowance is reviewed”.

To read the Reasons for Decision, please follow the following link to the [DFRT Home Page](#).

In response to the guidance provided by the Tribunal both the ADF and Commonwealth allocated resources to meet the DFRT requirements of reviewing OR pay by the third quarter of 2006. The ADF also embraced the requirements to roll-in Q&S elements of allowances as an opportunity to address the limitations of the current structure by conducting more fundamental remuneration reform.

Limitations of current OR pay structure

The current OR pay structure cannot absorb allowances without significantly undermining the industrial basis of differentials across the existing OR trades. The simple roll-in of allowances in a manner similar to that done for the Officer's, would require the creation of between 90 and 100 pay groups, which would ensure cost neutrality and no disadvantage to any member. However, such a large number of pay groups would be untenable from both an administrative and industrial perspective. It would be almost impossible for the

ADF to run OR employment category cases to the DFRT with such a large amount of pay groups.

The current definitional framework is also too restrictive in regards to the assessment of work value. There has been an inconsistent approach to remuneration over the years for significant changes in work value due to the fact that differentials decrease between ranks.

For example, a WO2(E) is rewarded \$844 for Pay Group movement from PG 4 to 5 compared to a PTE(E) who receives \$1,895.00 for a similar move. Although this compression was an intended outcome of the Pay Structure Review conducted in 1995, the significance of this compression has been increased overtime due to the movement of employment categories to higher pay groups over the past decade.

The RRP Phase 4 Proposition

The proposition presented to the DFRT required the expansion of the current 7 Pay Group structure to 16 Pay Groups.

This would allow the incorporation of the specified Q&S elements of allowances to be rolled-in to salary. Under the new structure, consistent differentials between pay groups would be applied from Pay Group 3 onwards.

The main characteristics of the new pay structure are:

- Consistent differentials have been established between all Pay Groups at all ranks levels from Pay Group 3 onwards.
- Pay Groups 1, 2, and 3 maintain their current salary rates.
NOTE: By populating the differentials as applied from PG 4 onwards to PG 1 to 3 would have caused detriment to current members in PG 1 and 2. By starting at PG 1 it would increase the incursion into the WO1(E) and Officers Pay Structures.

- Q&S elements of allowances have been banded into \$2,000+ amounts, the band then determines placement in the new structure by specifying the number of pay groups the member advances.
- The Q&S elements of Flying, Submarine Service, Special Operations and Special Action Forces Allowances will disappear as they now form part of salary. The Disability elements of the allowances will continue to be paid as they are now.
- The base salary in some pay groups will increase to establish the \$2,000+ gaps between each Pay Group from 3 onwards. As a result, some members may receive a minor pay rise.
- Any financial benefit received is due to the structural reform and placement in an appropriate Pay Group rather than a formal pay rise.

Effect on current salary rates

There will be no effect to Pay Groups 1 to 3. There will be an increase for Pay Groups 4 to 7 (current maximum pay group).

This effect will be minimal at the PTE(E) level, and substantial at the WO2(E) level.

This by no way undervalues the majority of the OR work force, however, it does reward continued service, and progression through the ranks to the more senior levels, these levels having been identified as being the Subject Matter Experts in the fields in which they are employed.

Who moves

The only OR members to move on placement within the new structure will be those members who are currently in receipt of the Q&S Element of: Flying, Submarine Service, Special Operations, and Special Action Forces allowance.

A guide on how Q&S will impact on pay placement is provided below.

Q&S Element	Placement
SAFA: Member of 152 Sig SQN SOA Item 2A: Trainee Commando SOA Item 4: 126 Sqn on CFTS SOA Item 14: IRR Trained SOA Item 24: Member of 301 Sig SQN FA: Less than 2 Years	Current Pay Group + 1 additional Pay Group
SOA Item 15: IRR Trained (Addit Spec) SOA Item 3: Qualified Commando FA: 2 – 4 years	Current Pay Group + 2 additional Pay Groups
SOA Item 6: CD Qualified FA: 4 – 6 Years	Current Pay Group + 3 additional Pay Groups
SOA Item 7: CD Qualified (Advanced) SOA Item 1: Trainee TAG East Member FA: 6 – 8 Years	Current Pay Group + 4 additional Pay Groups
Submarine Service Allowance FA: 8- 10 Years	Current Pay Group + 5 additional Pay Groups

SAFA: Trainee Special Forces SOA Item 2: Qualified TAG East Member	
FA: 10+ Years	Current Pay Group + 6 additional Pay Groups
SAFA: Qualified Special Forces	Current Pay Group + 9 additional Pay Groups

Structural end state

RRP Phase 4 establishes over 5% differential between pay groups at PTE(E) and around 3% at the WO2(E) level. This is a significant improvement from the current 1.5% difference. By increasing the difference at the higher rank level, the new structure overcomes the compression problems of the current pay structure.

Date of Implementation

The 16 Pay Group structure will be implemented on 09 Aug 07. This will coincide with the release of WRA increase and WO1(E) 8 graded pay scale.

Consideration of Future Reform – continued structural reform

In developing RRP Phase 4, both the ADF and the Commonwealth have been cognisant of the need to consider the Impact/Prospect for future reform to ADF pay structures. This consideration has led to the development of a further option to consolidate the proposed 16 Pay Groups for the OR structure to 8 Pay Groups. This process will be ongoing for the next 12 to 18 months.

This would further align the OR's structure with the WO1(E) structure by applying a similar differential across all pay structures.

The ADF will further develop and test this option which may include the consideration of the validity of present pay points over the next 12 months, and if deemed appropriate, bring a further submission to the DFRT.

This site will inform ADF members on any future progression of the compressed OR pay structure as further analysis is developed.

Future Management of Other Ranks Salary Matters

TBI

Remuneration Reform Project Achievements

To date the Remuneration Reform Project has achieved the following:

- Between the years 2000 and 2004 competency-based salary structures were introduced for ADF doctors, dentists, lawyers and chaplains.
- On 12 and 13 August 2004 the Qualification and Skill (Q&S) payments of Flying, Submarine Service, Special Operations and Special Action Forces Allowances became superannuable after Federal Legislation was amended. This gave a significant increase to the superannuable 'salary' for the ADF's Special Forces, Commandos, Aviators and Submariners.
- On 27 February 2006 the DFRT approved a 10-graded differential pay structure for Officers and WO1(E), implemented on 5 Oct 2006. The Q&S payments made superannuable in Aug 04 were rolled into salary.
- In Aug 2006 the DFRT approved changes to Reserve remuneration with effect 1 Sep 2006. A number of significant amendments to Reserve salary and entitlements were implemented as a result.
- A flexible Senior Officers banded pay structure was established in Oct 06, with the CDF able to seek individual salary determinations for senior Officers from the Defence Force Remuneration Tribunal.

Reserve Pay Case Outcomes

In August 2006 the DFRT approved the following changes to Reserve pay and allowances:

- Introduction of a \$5,000 p.a. Completion Bonus paid to members of the High Readiness Reserve;
- Introduction of a \$2,500 p.a. Health Support Allowance paid annually to members of the High Readiness Reserve;
- Introduction of a \$600 p.a. Health Support Allowance paid annually to members of the Active and Specialist Reserves;
- A \$10 a day Reserve Service Allowance is paid to all Reservists below the rank of Lieutenant Colonel – excluding trainees. This allowance is paid in recognition of the disabilities associated with Reserve service and include, but are not limited to:
 - o Liability for call-out under the enhanced call-out of the Reserves provisions;
 - o Liability to work long and irregular hours;
 - o Requirement at times to live and work in uncomfortable conditions; and
 - o Requirement to submit to discipline and control in matters in which a civilian generally has some freedom of choice.
- The removal of the 10 to 15 percent discount applied to Reserve salary for all Reserves who meet permanent force competencies. This will be applied to the following categories of Reserves:
 - o All Naval Reserve members (excluding trainees);
 - o All Air Force Reserve members (excluding trainees);

- o All members of the High Readiness Reserve;
 - o All members of Specialist Officer Career Structures (Doctors, Dentists, Lawyers and Chaplains);
 - o All members of Reserve only categories and trades; and
 - o All Reservists who maintain the full suite of permanent force competencies for their category or trade. This includes ex-permanent force and ex-High Readiness Reserve members.
- Removal of the discount applied to the salary of Specialist Officers (Doctors, Dentists, Lawyers and Chaplains); and
- Reduction of the discount applied to LTCOL(E) and above from 15% to 10% for those members who do not have the capacity to be deployed to perform an identified function to meet Defence capability.

All of these initiatives will be provided under the current tax exempt status applied to Reserve remuneration.

Additionally the ADF has undertaken to include Reservists in future pay placement proceedings before the Defence Force Remuneration Tribunal with a view to achieving robust pay placement that would negate the requirement for discounting the salary of those who do not have the capacity to be deployed to perform an identified function to meet Defence capability.

Reasons for Remuneration Reform

The Previous Remuneration System

The Officer Common Scale was introduced in 1947. All personnel at each rank were paid the same. Promotion was the only means of salary progression and it could not accommodate differential pay based on work value, capability and sustainability requirements.

The Other Ranks Pay structure was introduced in 1995. This pay structure is trade based and recognises skill as well as rank to determine pay.

WO1(E) are paid under a common scale with the same structural problems as the Officer Common Scale.

Qualification and Skill (Q&S) payments were made as part of Flying, Submarine Service, Special Operations and Special Action Forces Allowances to recognise additional qualification and skill required by specified employment groups.

Retention concerns were increasingly addressed through retention allowances and bonuses set by the Minister to overcome limitations of existing salary structures.

Remuneration Reviews

The Glenn Review (1995) and the Nunn Review (2001) identified three significant problems with the Officer Common Scale:

- All jobs at the same rank level are not equivalent in work value terms.
- No capacity to respond to retention problems resulting in a failure to attract and retain skills critical to capability; and
- An inability to provide sufficient incentives for members to undertake more demanding jobs, and in some instances to pursue promotion;

The Nunn Review made three key remuneration recommendations:

- The Q&S elements of Flying, Submarine Service, Special Operations and Special Action Forces Allowances be made superannuable;
- A flexible salary structure for ADF officers should be introduced to roll in the continuous qualification and skill payments; and
- The ADF salary structure for other ranks be consolidated by rolling in the existing qualification and skill elements of the salary related allowances.

These recommendations were accepted by Government, and provided the basis for the Remuneration Reform Project (RRP).

The Remuneration Reform Project (RRP)

RRP commenced in early 2002 following the release of the Nunn Review. It was tasked with reforming officer's pay and the large environmental allowances. RRP sought to:

- Make the Q&S elements of Flying, Submarine Service, Special Operations and Special Action Forces Allowances superannuable early in the reform process while establishing a new Officer's pay structure.
- Use the Q&S elements of specified environmental allowances Flying, Submarine Service, Special Operations and Special Action Forces Allowances as the basis for setting pay grades.
- Progress cases for Chaplains, Doctors, lawyers, and Dentists under a separate Specialist Officers Salary Structure (SOSS) process.

PAY & CONDITIONS

[Click here to return to the RRP homepage](#)

Remuneration Reform Project – Phase 2

Making Qualification & Skill Superannuable

Following on from the Defence Force Remuneration Tribunal (DFRT) decision on Phase 1 the ADF prepared a proposal to the Minister of Defence to make the Qualification and Skill (Q&S) elements of Flying, Special Action Forces, Specialist Operations and Submarine Service allowances part of the member's salary for the calculation of superannuation (whilst in receipt of the Q&S element).

On 01 Mar 04 the Government endorsed this proposal and the ADF sought approval for the necessary amendments to the regulations of the DFRDB Act and the MSBS Board Rules. The definition of salary for each of the Superannuation Schemes had to be amended to include these payments as salary for the calculation of superannuation benefits.

The agreement of the MSBS Board was received on 14 May 2004 and that of the Federal Executive Council (DFRDB) on 24 Jun 2004. The changes were then gazetted on 1 July 2004 by the Office of Legislative Drafting to give effect to the changes for both MSBS and DFRDB schemes.

The implementation dates were 12 Aug 04 for MSBS and 13 Aug 04 for DFRDB (to take into account of differences in administration between the schemes).

Last updated: 16 May 2007

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Remuneration Reform Project – Phase 3

Graded Officer's Pay Structures

Following Phase 2 and the roll-in of the Qualification and Skill (Q&S) elements of Flying, Submarine, Special Action Forces and Special Operations allowances into superannuation, RRP Phase 3 was geared to develop new pay structures for Officers and WO1(E) to reflect this element of the allowance as salary. Both of these groups were remunerated on a common scale prior to Phase 3.

In order to proceed forward with the development of these pay scales, the ADF, through a series of hearings with the Defence Force Remuneration Tribunal (DFRT) in 2004/05, provided sufficient evidence to proceed. The following issues were covered during the hearings:

- Setting up a differential pay structure for Officers and WO1(E) to incorporate Q&S payments;
- Determining the underpinning principles and business processes for the Graded Officer Pay Scale (GOPS);
- Determining the methodology for placement of members into the Officer's and WO1(E) pay structures;
- Establishing a banded pay structure for O7-O8 officers;
- Develop a suitable pay structure for Warrant Officers to incorporate Q&S allowances; and
- Transitioning officers into the structure at salary rates or salary rates plus relevant Q&S payments.

Graded Officer Pay Structure

The pay structure proposed by the ADF contained 10 pay grades. It used the current Officers Common Scale and the quanta of existing Q&S elements to create pay grades and provide differential pay points for officers at all ranks. The Officer Common Scale was included as Pay Grade 2. The submissions also proposed the introduction of a placement methodology which would operate to govern the placement or movement of officers within the new pay structure.

Transitional Pay Grades

The Graded Pay Structure for Officers has been established with 10 substantive Pay Grades based around approximate \$3,500 to \$4,000 differentials. Where possible, the Q&S elements of Flying, Submarine Service, Specialist Operations and Special Action Forces allowances have informed the rate for the substantive pay grades.

The transitional Pay Grades will not be populated by future pay cases. They will eventually close after each category is placed in a substantive pay grade following full work value analysis and subsequent determinations by the DFRT.

ADF Members will be informed as these cases are progressed to the DFRT.

Implementation of the Graded Officer Pay Structure

The GOPS was introduced on 5 Oct 06. Officers were placed at pay grades according to their total salary, that is the Officer Common Scale rate plus the value of the four major Q&S payment for which they were eligible. Officers not eligible for a Q&S allowance were placed at Pay Grade 2.

Future Placement of Officers

Introduction of a graded pay structure now allows the ADF to determine the salary of each officer employment category based on their contribution to ADF capability. As a result future pay placement proposals will be taken to the DFRT based on work value, capability and sustainability considerations as was the case with Air Traffic Controllers and ADF Engineer cases in 2006.

These officer categories were considered as priority cases by the ADF for placement within the GOPS by the DFRT. Both have significant and enduring retention problems impacting on capability. The Tribunal handed down interim decisions in Feb 07 in both cases with the intention of deciding on final placement later in 2007.

The ADF is now in the process of preparing a submission to the DFRT on the placement of all other officer categories. The submission will be considered in 3 hearings between May and July 2007. Depending on the outcome these hearings officer categories will be placed within the GOPS at pay grades reflecting their contribution to ADF capability. At this time the Tribunal is expected to decide the final placement of Air Traffic Controllers and ADF Engineers.

Last updated: 16 May 2007

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Remuneration Reform Project – Phase 1

Test Case Qualification & Skill and Attraction & Retention

Phase 1 of Remuneration Reform Project (RRP) was to quantify the three separate elements of the four major allowances. These are: Disability, Qualification and Skill (Q&S), and Attraction and Retention (A&R).

The ADF Sought to identify the dollar value of all three elements of these allowances. Disability has a clear dollar value attached and was solely for the disability associated with service. However, Q&S contained within it an A&R component. The value of the A&R component could not be clearly quantified, as previous allowance cases had not clearly articulated which of the Q&S element was 'qualification and skill', and which was purely 'attraction and retention'.

Using Submarine Service Allowance as a test case the ADF made a proposal to the Defence Force Remuneration Tribunal (DFRT) to identify the unquantified Attraction and Retention that existed within the Q&S element of each allowance.

The intention of this submission was allow the ADF to roll the purely Q&S element into salary, retain the disability element as an allowance and use the A&R component to create separate attraction and retention allowances and bonuses for Submariners.

The Tribunal stated it had difficulty with the arguments presented by the ADF and could find nothing in the 2001 Tribunal decision on Submarine Service Allowance which provided any support for isolating any Attraction and Retention component.

Therefore, as a result of the Tribunals findings, the ADF agreed that the rate of Q&S associated with the four allowances contained an A&R element that could not be separated. On this basis the ADF proceeded with RRP on the understanding that the full Q&S rate for each allowance must be considered for rolling into salary.

Last updated: 16 May 2007

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Remuneration Reform Project – Phase 3

WO1(E) Pay Structures

Background

The need for a new pay structure for WO1(E) was raised with the Defence Force Remuneration Tribunal (DFRT) by the ADF as part of the RRP Phase 3 considerations. On implementation of a Graded Officer Pay Structure (GOPS), WO1(E) would be the only sector of the ADF not covered by a pay structure that would allow the roll in of qualification and skill payments and recognise differential work value.

In May 05 the ADF presented a case for differential pay for the WO1(E) employment groups to the DFRT. The DFRT considered the submission but withheld comment pending the findings of an ADF initiated working group on WO1(E) employment. The working group subsequently found that sufficient differentiation occurs within the WO1(E) group to justify differential pay.

As a result, the Tribunal agreed that a separate Warrant Officer pay scale was justified to differentiate between WO1(E) employment groups.

On 5 Oct 06 a graded pay structure for WO1(E) was introduced, with 8 pay grades and 6 transitional pay grades to allow the roll in of qualification and skill payments. Since Oct 06 the ADF has further developed the WO1(E) graded pay structure.

ADF WO1(E) proposal 2007

In July 07 the ADF will propose to the DFRT that the WO1(E) pay structure be reduced to 8 pay grades with the steps between pay grades set at \$4,100 to make them consistent and substantial. As the nature of WO1(E) work is generally trade or trade related, placement will be based on member's employment category. That is on promotion from CPO, WO2 and FSGT initial placement will be informed by prior salary placement in the OR structure.

The ADF will also put forward a proposal for further pay progression for WO1(E) employed in higher management jobs not directly related to their trade.

The ADF will present a pay case to the DFRT prior to 9 Aug 07 to ensure that all WO2(E) receive additional remuneration on promotion to WO1(E).

Last updated: 24 May 2007

PAY & CONDITIONS

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Remuneration Reform Project

The aim of the Remuneration Reform Project is reforming ADF pay to make it more flexible and contemporary. A key component is the rolling in of the Qualification and Skill (Q&S) elements of Flying, Submarine Service, Specialist Operations and Special Action Forces Allowances to salary.

The Nunn Review recommended, and the Government accepted, that Q&S payments be rolled in to salary as they are paid continuously in recognition of Q&S held and used through out a member's career. In contrast, disability payments are periodic, only being paid when on duty incurring the disability.

The RRP has progressed through four distinct phases to achieve pay reform, they are:

- **Phase 1** Quantify the Attraction and Retention, Qualification and Skill and Disability components of the major environmental allowances, Flying, Submarine Service, Specialist Operations and Special Action Forces Allowances.
- **Phase 2** Make the Qualification and Skill elements of the major environmental allowances superannuable.
- **Phase 3** Develop graded pay structures for Officers and WO1(E) to incorporate the qualifications and skill elements of Flying, Submarine Service, Special Action Forces and Specialist Operations Allowances into salary.

Officer's Pay Structures

WO1(E) Pay Structure

- **Phase 4** Restructure Other Ranks' pay by rolling into salary the qualification and skill elements of allowances in a manner similar to the officers.
- **What's been implemented so far?**
- **Reserve Pay Outcomes**
- **Why Pay Reform?**
- **Feedback**
- **Frequently Asked Questions**

Last updated: 31 May 2007

REMUNERATION REFORM PROJECT - PHASE 4		
FOR: Mr Billson cc Dr Nelson	Schedule No: 98449	Ministerial action required by: 24 May 2007
GROUP: Personnel Executive	Ref: PPEC 307 /07	Reason: Response to a request by the Minister Assisting

Copies: Secretary, CDF, Executive, CFO, FASBFP, HPE

Recommendation

That you:

- (a) **Note** the advice provided on the Defence Force Remuneration Tribunal (DFRT)
Determination 22 of 2006 concerning the reform of salary rates for Other Ranks;

Key Issues

1. The Remuneration Reform Project was established in 2002 in light of recommendations made by the Nunn Review (2001). To date the project has made the qualification and skill elements of flying (FA), submarine service (SSA), special action forces (SAFA) and special operations allowance (SOA) superannuable. These allowances were rolled into officer and WO1(E) salary on 5 October 2006 through the creation of graded pay structures.
2. In a hearing on 13 December 2006, dealing with Remuneration Reform Project Phase 4, the Defence Force Remuneration Tribunal (DFRT) agreed to an ADF proposal to introduce a new pay structure for Other Ranks. The new structure comprises 16 pay groups, incorporating the qualification and skill allowances in a manner similar to that for officers and WO1(E).
3. DFRT Determination 22 of 2006 provides the ADF with the legal authority to introduce the 16 pay group structure on 9 August 2007.
4. The 9 August 2007 implementation date allows the ADF sufficient time to make the necessary system adjustments to PMKeys and ADF pay. It also coincides with the next pay increase (of 2.8%) under the ADF Workplace Remuneration Arrangement.
5. The Government has approved a second stage of reform to the Other Rank pay structure which seeks to reduce the number of pay grades to eight. This action is supported by the DFRT and will provide more meaningful differentials between the pay groups and further simplify and streamline the structure. It is planned that this second step be implemented in FY 08/09 at a cost of \$57m per annum.
6. Communication activities for the above reforms are currently being planned to commence in May and will continue over the next six months.

s22

S.R GRZESKOWIAK DGPPEC Tel: W: s47E(d) M: s22 23 May 07	(a) NOTED		1	2	3	4	5
		Timeliness					
		Quality					
			Poor	Satisfactory	Excellent		
	BRUCE BILLSON / / 2007	☐ Letter Amended					
	NOTED	☐ Further Advice not required (unless circumstances change significantly)					
	BRENDAN NELSON / / 2007						
Branch Head	Steve Grzeskowiak	W: s47E(d)	Mob: s22				
Action Officer	s47F	W: s47E(d)	Mob: s22				

Sensitivity

7. Nil.

Resources

8. As part of the \$2.1 billion allocated to Defence over ten years in the 2007-08 Budget, \$585.4m was allocated over nine years (\$59.7m per annum in 2007-08 Budget prices) to implement Stage 2 of the reform (the introduction of a simpler, balanced and flexible pay framework which better recognises members' skill through the pay system). As part of its decision to allocate the additional \$585.4m, the Government required that Defence fund Stage 1 of the reform from its existing allocations, this is estimated to be \$264m over the ten years which equates to \$23.7m per annum in 2007-08 Budget prices. There is scope in the Defence People Plan to fund the \$23.7m per annum in later years, but the source of funding for this initiative in the early years has yet to be determined by the Financial Management Committee, but funds will be available to ensure this important policy initiative proceeds as required by Government. FASBFP has been consulted and agrees the costs and resource aspects.

MESSAGE FORM

NOTE: Shaded areas are for COMMCEN/SIGS use only.

			SPECIAL HANDLING INSTRUCTIONS
			SIC/ORIG NO WAC
			GR
PRECEDENCE - ACTION	PRECEDENCE - INFO ROUTINE	DATE - TIME GROUP 220642Z AUG 07	MESSAGE INSTRUCTIONS
ROUTING INDICATORS	NOTE: Write only one addressee per line FROM DGPPEC TO <ACTADD> s47E(d)		

FROM DGPPEC FOR ALL COMMANDERS**SUBJ: REMUNERATION REFORM PROJECT – IMPLEMENTATION FOR ALL RANKS**

1. THE PURPOSE OF THIS MESSAGE IS TO INFORM COMMANDERS OF THE IMPLEMENTATION SEQUENCE FOR PLACING MEMBERS IN THEIR NEW PAY STRUCTURES. COMMANDERS ARE ASKED TO COMMUNICATE THE SEQUENCE TO ALL RANKS.
2. **OTHER RANKS.** 9 AUG 07 WAS THE IMPLEMENTATION DATE FOR MEMBERS WHO ARE RETAINING THEIR PAY GROUP FROM THE OLD 7-PAY GROUP STRUCTURE. THESE

MEMBERS RECEIVED THE 2.8% WRA INCREASE FROM 9 AUG 07 PLUS ANY MINOR INCREASES BASED ON THE NEW DIFFERENTIALS BETWEEN PAY GROUPS.

3. MEMBERS IN RECEIPT OF THE Q&S COMPONENT OF FLYING, SUBMARINE, SPECIAL ACTION FORCES AND SPECIAL OPERATIONS ALLOWANCES ALSO RECEIVED THE 2.8% WRA INCREASE ON 9 AUG 07. HOWEVER, THIS INCREASE WAS INITIALLY APPLIED TO THEIR PAY GROUP FROM THE OLD 7-PAY GROUP STRUCTURE, AND THEIR PRE-9 AUG 07 Q&S.

4. MEMBERS IN RECEIPT OF THE ABOVE MENTIONED ALLOWANCES ARE EXPECTED TO BE PLACED IN THEIR NEW PAY GROUP ON 18 OCT 07. THE NEW PAY GROUPS WILL REFLECT THE ROLL-IN OF Q&S INTO SALARY. THESE MEMBERS SHOULD EXPECT TO SEE ALL ADJUSTMENTS REFLECTED ON THEIR SVAS FROM 18 OCT 07, BACKDATED TO 9 AUG 07.

5. **WO1(E).** PLACEMENT OF WO1(E) MEMBERS ON THEIR 4-TIERED, 8-GRADE PAY STRUCTURE WILL BE IMPLEMENTED AFTER ALL ADJUSTMENTS HAVE BEEN FINALISED FOR OTHER RANKS. IMPLEMENTATION FOR WO1(E) MEMBERS IS EXPECTED TO OCCUR IN THE LATTER PART OF 2007, WITH ADJUSTMENTS BACKPAID TO 9 AUG 07.

6. **OFFICERS.** O1-O6 OFFICER PLACEMENT ON THE GRADED OFFICER PAY STRUCTURE WILL BE IMPLEMENTED AFTER ALL ADJUSTMENTS FOR OTHER RANKS AND WO1(E) MEMBERS ARE FINALISED. IMPLEMENTATION FOR OFFICERS IS NOT EXPECTED TO OCCUR UNTIL 2008, WITH ADJUSTMENTS BACKPAID TO 9 AUG 07.

7. FOR ALL REMUNERATION REFORM UPDATES GO TO:

A. DEFWEB: [HTTP://INTRANET.DEFENCE.GOV.AU/PAC/](http://intranet.defence.gov.au/pac/); OR

B. INTERNET: [HTTP://DEFENCE.GOV.AU/DPE/PAC/](http://defence.gov.au/dpe/pac/)

DRAFTER'S NAME AND TITLE s47F		PHONE NO s47E(d)	REF FILE NO 2004/1004387/6
RELEASER'S NAME AND TITLE MR S.R. GRZESKOWIAK	BRANCH/UNIT DGPPEC	SIGNATURE	DATE AUG 07

Stock No 7530-66-094-6819

OC33 (E)

Department of Defence

Revised Aug 04

MESSAGE FORM

NOTE: Shaded areas are for COMMCEN/SIGS use only.

			SPECIAL HANDLING INSTRUCTIONS
			SIC/ORIG NO WAC
			GR
PRECEDENCE - ACTION	PRECEDENCE - INFO ROUTINE	DATE - TIME GROUP 022224Z AUG 07	MESSAGE INSTRUCTIONS
ROUTING INDICATORS	NOTE: Write only one addressee per line FROM CDF TO <ACTADD> s47E(d)		

FROM: CDF FOR ALL COMMANDERS
SUBJ: REMUNERATION REFORM PROJECT – OFFICERS

1. ON 6 AUG 07 THE DEFENCE FORCE REMUNERATION TRIBUNAL (DFRT) APPROVED THE ADF PROPOSAL FOR THE PLACEMENT OF O1 TO O6 OFFICERS IN THE GRADED OFFICERS PAY STRUCTURE. THE PLACEMENT OF OFFICER EMPLOYMENT CATEGORIES FOLLOWS THE CREATION OF THE GRADED OFFICERS PAY STRUCTURE IN OCT 2006. THE DFRT DECISION WAS MADE FOLLOWING THE SUBMISSION OF EVIDENCE BY THE ADF

AND THE CONDUCT OF SERVICE SPECIFIC FOCUS GROUPS AND BRIEFINGS OVER THE PAST THREE MONTHS.

2. THE DFRT DECISION ENDORSES THE PLACEMENT OF PERMANENT OFFICER EMPLOYMENT CATEGORIES AND RESERVE EMPLOYMENT CATEGORIES THAT ARE NON-DISCOUNTED. PROPOSALS REGARDING THE PLACEMENT OF DISCOUNTED RESERVE OFFICER EMPLOYMENT CATEGORIES WILL BE SUBMITTED TO THE DFRT BY DEC 07. THE ADF WILL ALSO MAKE FURTHER SUBMISSIONS TO THE DFRT IN REGARDS TO THE FURTHER PLACEMENT OF SPECIAL FORCES OFFICERS OVER THE NEXT TWO MONTHS.

3. DUE TO OTHER MAJOR REMUNERATION REFORMS AND THE LARGE IMPACT OF THE DFRT DECISION ACROSS THE OFFICER WORKFORCE, FULL IMPLEMENTATION OF THE CHANGES ARE EXPECTED TO TAKE UP TO SIX MONTHS. THIS SIX MONTHS IS REQUIRED TO UPDATE BOTH PERSONNEL SYSTEMS AND ADF PAY SYSTEMS. ALL CHANGES WILL BE BACKDATED TO 9 AUG 07.

4. THE DFRT DECISION CONTINUES THE SIGNIFICANT REMUNERATION REFORM CURRENTLY BEING UNDERTAKEN BY THE ADF. THIS REFORM INCLUDES THE CREATION OF A NEW 16 PAY GRADE STRUCTURE FOR OTHER RANKS THAT FACILITATES THE ROLL-IN OF THE MAJOR QUALIFICATION AND SKILL ALLOWANCES INTO OTHER RANKS PAY AND THE PLACEMENT OF WARRANT OFFICER CLASS ONE EMPLOYMENT CATEGORIES IN THEIR NEW PAY STRUCTURE. ALL THESE REFORMS TAKE EFFECT ON 9 AUG 07.

5. COINCIDING WITH THESE REFORMS IS PAYMENT OF A 2.8 PER CENT INCREASE IN SALARY FOR ALL MEMBERS. THIS IS THE SECOND INSTALMENT UNDER THE CURRENT ADF WORKPLACE REMUNERATION ARRANGEMENT.

6. **FURTHER INFORMATION.** FOR FURTHER INFORMATION ON THE SERVICE SPECIFIC PROPOSALS REGARDING OFFICER PLACEMENT GO TO:

A. NAVY – [HTTP://INTRANET.DEFENCE.GOV.AU/NAVYWEB/SITES/DNEC/](http://intranet.defence.gov.au/navyweb/sites/dnec/)

B. ARMY – [HTTP://INTRANET.DEFENCE.GOV.AU/ARMYWEB/SITES/DPERSCAPA/COMWEB.ASP?PAGE=73676&TITLE=IR/REM](http://intranet.defence.gov.au/armyweb/sites/dperscapa/comweb.asp?page=73676&title=IR/REM)

C. AIR FORCE – [Air Force People Central/Hot Topics/Remuneration Reform Project](#)

7. VIEW ALL REMUNERATION REFORM UPDATES AT:

A. DEFWEB: [HTTP://INTRANET.DEFENCE.GOV.AU/PAC/](http://intranet.defence.gov.au/pac/), OR

B. INTERNET: [HTTP://DEFENCE.GOV.AU/DPE/PAC/](http://defence.gov.au/dpe/pac/).

8. **DISTRIBUTION.** COMMANDERS ARE ASKED TO DISSEMINATE THIS MESSAGE TO ALL OFFICERS.

DRAFTER'S NAME AND TITLE		PHONE NO	REF FILE NO
s47F		s47E(d)	2004/1004387/6
RELEASER'S NAME AND TITLE	BRANCH/UNIT	SIGNATURE	DATE
AIR CHIEF MARSHAL A.G. HOUSTON	CDF		AUG 07

Stock No 7530-66-094-6819

Remuneration Reform Project - Other Ranks Pay Rates - 9 August 2007

The Remuneration Reform Project (RRP) is reforming ADF pay to meet current and future ADF capability requirements. In Phase 4 of RRP, the qualification and skill elements of Flying, Submarine Service, Specialist Operations and Special Action Forces Allowances will be rolled into the base salary of Private (E) to Warrant Officer Class 2 (E) on 9 Aug 07. In order to roll-in the qualification and skill components into salary, allowances have been banded into multiples of \$2,000+. The difference between Pay Groups have also been increased to \$2,000+ from Pay Group 3 onwards. This change allows the incorporation of qualification and skill allowances as per the table below.

Note: 1 The establishment of a new 16 Pay Group Structure for Other Ranks represents stage 1 of RRP Phase 4. The ADF intends to further reform Other Ranks pay over the next 12-18 months through further consolidation of the 16 Pay Groups.

Note: 2 The salary rates identified in this brochure reflect both RRP Phase 4 and the 2.8% WRA pay rise. Both of these changes take effect on 9 Aug 07.

How to calculate your new pay group:

Step 1: Identify your current Pay Group. Members not in receipt of the qualification and skill components of Flying, Submarine Service, Specialist Operations and Special Action Forces Allowances will remain in their current Pay Group. For members who currently receive one of the qualification and skill allowances listed to the right go to step 2.

Step 2: Identify the relevant qualification and skill allowance you are currently receiving and its corresponding number of additional Pay Groups.

Step 3: Add the additional Pay Groups to your current Pay Group. The total of this calculation represents your new Pay Group.

Pay Group Movement Guide For Roll-in Of Qualification And Skill Allowances

SAFA: Member 152 Sig SQN	+ 1 PG
SOA Item 2A: Trainee Commando	
SOA Item 4: 126 SQN on CFTS	
SOA Item 15: IRR Trained	
SOA Item 24: Member of 301 Sig SQN	
FA: Less than 2 Years	

SOA Item 15: IRR Trained (Additional Specialisation)	+ 2 PG
SOA item 3: Qualified Commando	
FA: 2 - 4 Years	

SOA Item 6: CD Qualified	+ 3 PG
FA: 4-6 Years	

SOA Item 7: CD Qualified (Advanced)	+ 4 PG
SOA Item 1: Trainee TAG East Member	
FA: 6-8 years	

Submarine Service Allowance	+ 5 PG
FA: 8-10 Years	
SAFA: Trainee Special Forces	
SOA Item 2: Qualified TAG East Member	

FA: 10 + Years	+ 6 PG
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SAFA: Qualified Special Forces	+ 9 PG
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Other Ranks - Permanent (\$ pa)

Navy	Army	RAAF	Incr	Group 1	Group 2	Group 3	Group 4	Group 5	Group 6	Group 7	Group 8	Group 9	Group 10	Group 11	Group 12	Group 13	Group 14	Group 15	Group 16
CPO	WO2	FSGT	2	56,343	57,791	58,665	60,807	62,950	65,092	67,234	69,377	71,519	73,661	75,804	77,946	80,088	82,231	84,373	86,515
			1	55,784	57,220	58,081	60,223	62,366	64,508	66,650	68,793	70,935	73,077	75,220	77,362	79,504	81,647	83,789	85,932
			0	54,670	56,078	56,926	59,068	61,210	63,353	65,495	67,637	69,780	71,922	74,064	76,207	78,349	80,491	82,634	84,776
	SSGT		0	51,756	53,103	54,446	56,588	58,731	60,873	63,015	65,158	67,300	69,442	71,585	73,727	75,869	78,012	80,154	82,297
PO	SGT	SGT	2	47,745	48,986	50,226	52,368	54,511	56,653	58,795	60,938	63,080	65,222	67,365	69,507	71,650	73,792	75,934	78,077
			1	47,276	48,503	49,732	51,874	54,016	56,159	58,301	60,443	62,586	64,728	66,870	69,013	71,155	73,297	75,440	77,582
			0	46,333	47,532	48,737	50,880	53,022	55,165	57,307	59,449	61,592	63,734	65,876	68,019	70,161	72,303	74,446	76,588
LS	CPL	CPL	2	41,587	43,246	44,908	47,051	49,193	51,335	53,478	55,620	57,762	59,905	62,047	64,189	66,332	68,474	70,616	72,759
			1	41,174	42,821	44,462	46,604	48,747	50,889	53,031	55,174	57,316	59,458	61,601	63,743	65,886	68,028	70,170	72,313
			0	40,351	41,964	43,578	45,720	47,863	50,005	52,147	54,290	56,432	58,574	60,717	62,859	65,001	67,144	69,286	71,429
	LCPL		0	37,079	39,103	41,132	43,275	45,417	47,559	49,702	51,844	53,986	56,129	58,271	60,414	62,556	64,698	66,841	68,983
AB	PTE(P)	LAC	0	36,361	38,349	40,338	42,480	44,622	46,765	48,907	51,049	53,192	55,334	57,477	59,619	61,761	63,904	66,046	68,188
SMN	PTE	AC	0	35,660	37,609	39,558	41,701	43,843	45,986	48,128	50,270	52,413	54,555	56,697	58,840	60,982	63,124	65,267	67,409

Other Ranks - Reserve Non-Discounted Rates (\$ per day)

<u>Navy</u>	<u>Army</u>	<u>RAAF</u>	<u>Incr</u>	<u>Group 1</u>	<u>Group 2</u>	<u>Group 3</u>	<u>Group 4</u>	<u>Group 5</u>	<u>Group 6</u>	<u>Group 7</u>	<u>Group 8</u>	<u>Group 9</u>	<u>Group 10</u>	<u>Group 11</u>	<u>Group 12</u>	<u>Group 13</u>	<u>Group 14</u>	<u>Group 15</u>	<u>Group 16</u>
CPO	WO2	FSGT	1	154.36	158.33	160.73	166.59	172.47	178.33	184.20	190.07	195.94	201.81	207.68	213.55	219.42	225.29	231.16	237.03
			0	149.78	153.64	155.96	161.83	167.70	173.57	179.44	185.31	191.18	197.05	202.92	208.79	214.65	220.52	226.39	232.26
	SSGT		0	141.80	145.49	149.17	155.04	160.91	166.78	172.64	178.52	184.38	190.25	196.12	201.99	207.86	213.73	219.60	225.47
PO	SGT	SGT	1	130.81	134.21	137.61	143.47	149.35	155.21	161.08	166.95	172.82	178.69	184.56	190.43	196.30	202.17	208.04	213.91
			0	126.94	130.22	133.53	139.40	145.27	151.14	157.01	162.87	168.75	174.61	180.48	186.35	192.22	198.09	203.96	209.83
LS	CPL	CPL	1	113.94	118.48	123.04	128.91	134.78	140.64	146.52	152.38	158.25	164.12	169.99	175.86	181.73	187.60	193.47	199.34
			0	110.55	114.97	119.39	125.26	131.13	137.00	142.87	148.74	154.61	160.48	166.35	172.22	178.08	183.96	189.82	195.70
	LCPL		0	101.59	107.13	112.69	118.56	124.43	130.30	136.17	142.04	147.91	153.78	159.65	165.52	171.39	177.25	183.13	188.99
AB	PTE(P)	LAC	0	99.62	105.07	110.52	116.38	122.25	128.12	133.99	139.86	145.73	151.60	157.47	163.34	169.21	175.08	180.95	186.82
SMN	PTE	AC	0	97.70	103.04	108.38	114.25	120.12	125.99	131.86	137.73	143.60	149.47	155.33	161.21	167.07	172.94	178.81	184.68

Other Ranks - Reserve Discounted Rates (\$ per day)

<u>Navy</u>	<u>Army</u>	<u>RAAF</u>	<u>Incr</u>	<u>Group 1</u>	<u>Group 2</u>	<u>Group 3</u>	<u>Group 4</u>	<u>Group 5</u>	<u>Group 6</u>	<u>Group 7</u>	<u>Group 8</u>	<u>Group 9</u>	<u>Group 10</u>	<u>Group 11</u>	<u>Group 12</u>	<u>Group 13</u>	<u>Group 14</u>	<u>Group 15</u>	<u>Group 16</u>
CPO	WO2	FSGT	1	131.21	134.58	136.62	141.61	146.60	151.58	156.57	161.56	166.55	171.54	176.53	181.52	186.51	191.50	196.49	201.47
			0	127.31	130.59	132.57	137.56	142.54	147.53	152.52	157.51	162.50	167.49	172.48	177.47	182.46	187.44	192.44	197.42
	SSGT		0	120.53	123.66	126.79	131.78	136.77	141.76	146.75	151.74	156.73	161.71	166.70	171.69	176.68	181.67	186.66	191.65
PO	SGT	SGT	1	111.19	114.08	116.96	121.95	126.94	131.93	136.92	141.91	146.90	151.89	156.88	161.87	166.86	171.84	176.83	181.82
			0	107.90	110.69	113.50	118.49	123.48	128.47	133.45	138.44	143.43	148.42	153.41	158.40	163.39	168.38	173.37	178.36
LS	CPL	CPL	1	96.85	100.71	104.58	109.57	114.56	119.55	124.54	129.53	134.51	139.50	144.49	149.48	154.47	159.46	164.45	169.44
			0	93.97	97.72	101.48	106.47	111.46	116.45	121.44	126.43	131.42	136.41	141.40	146.38	151.37	156.36	161.35	166.34
	LCPL		0	86.35	91.06	95.79	100.78	105.77	110.75	115.74	120.73	125.72	130.71	135.70	140.69	145.68	150.67	155.66	160.65
AB	PTE(P)	LAC	0	84.68	89.31	93.94	98.93	103.91	108.90	113.89	118.88	123.87	128.86	133.85	138.84	143.83	148.82	153.81	158.79
SMN	PTE	AC	0	83.04	87.58	92.12	97.11	102.10	107.09	112.08	117.07	122.06	127.05	132.03	137.02	142.01	147.00	151.99	156.98

This brochure is a guide only. For further information on pay rates and remuneration issues, refer to the Defence Pay & Conditions Web site:

Intranet - <http://intranet.defence.gov.au/pac>
Internet - <http://www.defence.gov.au/dpe/pac>

Other Ranks Reserve non-discounted rates apply to:

- * All Naval Reserves (including trainees)
 - * All Air Force Reserves (including trainees)
 - * All members of High Readiness Reserves
 - * Army Reserve only employment categories
 - * All Army Reservists that meet full ARA competancies
- Reserve discounted rates apply to all other Reservists**

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ZNR UUUUU

R 100729Z AUG 07

FM CDF AUSTRALIA

TO s47E(d)

s47E(d)



UNCLAS

SIC WAC

ORIGNO: 00067

FROM CDF FOR ALL COMMANDERS

SUBJ:REMUNERATION REFORM PROJECT - OFFICERS

Page 1

signal.txt

1. ON 6 AUG 07 THE DEFENCE FORCE REMUNERATION TRIBUNAL (DFRT) APPROVED THE ADF PROPOSAL FOR THE REPLACEMENT OF 01 TO 06 OFFICERS IN THE GRADED OFFICERS PAY STRUCTURE. THE PLACEMENT OF OFFICER EMPLOYMENT CATEGORIES FOLLOWS THE CREATION OF THE GRADED OFFICERS PAY STRUCTURE ON OCT 2006. THE DFRT DECISION WAS MADE FOLLOWING THE SUBMISSION OF EVIDENCE BY THE ADF AND THE CONDUCT OF SERVICE SPECIFIC FOCUS GROUPS AND BRIEFINGS OVER THE LAST THREE MONTHS.

2. THE DFRT DECISION ENDORSES THE PLACEMENT OF PERMANENT OFFICER EMPLOYMENT CATEGORIES AND RESERVE EMPLOYMENT CATEGORIES THAT ARE NON-DISCOUNTED. PROPOSALS REGARDING THE PLACEMENT OF DISCOUNTED RESERVE OFFICER EMPLOYMENT CATEGORIES WILL BE SUBMITTED TO THE DFRT BY DEC 07. THE ADF WILL ALSO MAKE FURTHER SUBMISSIONS TO THE DFRT IN REGARDS TO THE FURTHER PLACEMENT OF SPECIAL FORCES OFFICERS OVER THE NEXT TWO MONTHS.

3. DUE TO OTHER MAJOR REMUNERATION REFORMS AND THE LARGE IMPACT OF THE DFRT DECISION ACROSS THE OFFICER WORKFORCE, FULL IMPLEMENTATION OF THE CHANGES ARE EXPECTED TO TAKE UP TO SIX MONTHS. THIS SIX MONTHS IS REQUIRED TO UPDATE BOTH PERSONNEL SYSTEMS AND ADF PAY SYSTEMS. ALL CHANGES WILL BE BACKDATED TO 9 AUG 07.

4. THE DFRT DECISION CONTINUES THE SIGNIFICANT REMUNERATION REFORM CURRENTLY BEING UNDERTAKEN BY THE ADF. THIS REFORM INCLUDES THE CREATION OF A NEW 16 PAY GRADE STRUCTURE FOR OTHER RANKS THAT FACILITATES THE ROLL-IN OF THE MAJOR SKILL AND QUALIFICATION AND SKILL ALLOWANCES INTO THE OTHER RANKS PAY AND PLACEMENT OF WARRANT OFFICER CLASS ONE EMPLOYMENT CATEGORIES IN THEIR NEW PAY STRUCTURE. ALL THESE REFORMS TAKE EFFECT ON 9 AUG 07.

5. COINCIDING WITH THESE REFORMS IS PAYMENT OF A 2.8 PER CENT INCREASE IN SALARY FOR ALL MEMBERS. THIS IS THE SECOND INSTALMENT UNDER THE CURRENT ADF WORKPLACE REMUNERATION ARRANGEMENT.

6. FURTHER INFORMATION. FOR FURTHER INFORMATION ON THE SERVICE SPECIFIC PROPOSALS REGARDING OFFICER PLACEMENT GO TO:

A. NAVY - [HTTP://INTRANET.DEFENCE.GOV.AU/NAVYWEB/SITES/DNEC/](http://intranet.defence.gov.au/navyweb/sites/dnec/)

B. ARMY - [HTTP://INTRANET.DEFENCE.GOV.AU/ARMYWEB/SITES/DPERSCAPA/COMWEB.ASP?PAGE=73676&TITLE=IR/REM](http://intranet.defence.gov.au/armyweb/sites/dperscapa/comweb.asp?page=73676&title=IR/REM)

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C. AIR FORCE - AIR FORCE PEOPLE CENTRAL/HOT TOPICS/REMUNERATION
REFORM PROJECT

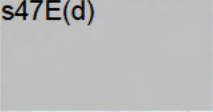
7. VIEW ALL REMUNERATION REFORM UPDATES AT:

A. DEFWEB: [HTTP://INTRANET.DEFENCE.GOV.AU/PAC/](http://intranet.defence.gov.au/pac/), OR

B. INTERNET: [HTTP://DEFENCE.GOV.AU/DPE/PAC](http://defence.gov.au/dpe/pac).

8. DISTRIBUTION. COMMANDERS ARE ASKED TO DISSEMINATE THIS MESSAGE TO
ALL OFFICERS.

s47E(d)



MINISTERIAL SUBMISSION: ADF PAY COMPARATIVE ANALYSIS		
FOR: Dr Nelson cc: Mr Billson	Category: Defence Initiated	Ministerial action required by: No critical date
GROUP: Office of the Secretary Office of the CDF	Ref: SEC/OUT/2007/259 CDF/OUT/2007/804	Reason: Supplementary advice following the Budget

Copies: VCDF, CN, CA, CAF, FASCPA, CFO, DepSec SCG, HPE, FASBFP

Recommendation

That you:

- (a) **note** the potential for further funds to be sought from Government for the outcome of the comparative analysis of Australian Defence Force (ADF) remuneration.
- (b) **note** the progress with the comparative analysis of ADF remuneration.
- (c) **note** the remuneration reform activities currently underway.

Key Issues

1. In December 2006 Government agreed a submission seeking additional funding for a range of retention and recruiting measures, including further structural reform of remuneration for members of the ADF. This reform is being progressed through the Defence Force Remuneration Tribunal (DFRT) over the next 12 to 18 months.
2. In agreeing the additional funding, Government was aware that, as part of the ongoing reform, a comparative analysis of ADF conditions would be undertaken that would include a comparison of base pay.
3. The comparative analysis of ADF remuneration with private and public sector equivalent trades and categories is progressing. The data does not support a case for an across the board percentage pay increase, with a targeted regime of pay adjustments seeming most appropriate focused mostly on the Other Ranks, with some adjustments in the junior officer ranks. Pay improvement for officers has been largely addressed through the recent DFRT approval of placement of officers in the new Graded Officer Pay Structure. An outline of progress so far is at Attachment A.
4. An initial estimate is approximately \$200M per annum, less potential offsets from absorption of retention bonuses or pay structural reform.
5. It is likely, therefore, that you will need to consider whether to take to Government a proposal for further targeted enhancement of ADF pay in the next 18 months, beyond the structural reform currently being implemented.
6. The remuneration reform underway is a practical response to the recruiting and retention pressures currently being experienced by the ADF, and to the Government's consideration of the *Review of Australian Defence Force Remuneration 2001* (Nunn Review). It represents a once-in-a-generation strategic reform of military pay rates and structures that will provide a stable remuneration base on which to grow the ADF in response to Government capability requirements.

s22	s22	(a) NOTED (b) NOTED (c) NOTED		1	2	3	4	5
			Timeliness					
			Quality					
				Poor	Satisfactory	Excellent		
			☐ Letter Amended					
			☐ Further Advice not required (unless circumstances change significantly)					
NICK WARNER Secretary 13 Sep 07	A.G. HOUSTON ACM CDF Sep 07	BRENDAN NELSON / / 2007						
Branch Head	Steve Grzeskowiak	W: s47E(d)	Mob: s22					
Action Officer	s47F	W: s47E(d)	Mob: s22					

7. Attachments B and C summarise recent remuneration reform achievements and planned remuneration reform through the DFRT over the next 18 months. A summary of retention bonuses and allowances made available to ADF members in response to market forces and retention issues as short term solutions while developing strategic pay reform and other non-financial initiatives is at Attachment D.

Sensitivity

8. Yes. We understand there is some expectation in the ADF that further improvement of ADF remuneration is progressing, and the 2006 Defence Attitude Survey showed a decline in satisfaction with salary. The Australian Strategic Policy Institute Budget Brief 2007-2008 analysis shows that Defence salaries have consistently grown more slowly than average earnings but more quickly than the Consumer Price Index. The report highlighted that "more analysis is needed prior to a firm conclusion".

Resources

9. Funding for any outcome of the comparative analysis of ADF base pay is currently not provisioned and would need to be sourced from Government. FASBFP has been consulted and notes the resourcing aspects.

Consultation

10. CFO.

Attachments:

- A. DFRT base pay inquiry – summary of progress so far
- B. Recent remuneration reform achievements
- C. Further remuneration reform to be implemented over the next 18 months
- D1. Existing retention bonuses and allowances
- D2. Retention bonuses and allowances arising from Government supplementation in 2007/2008 Portfolio Additional Estimates

Attachment A

ADF PAY COMPARATIVE ANALYSIS

Conduct of the Analysis

- On 27 Sep 06 the DFRT met with CDF to advise him of their intention to conduct an inquiry into base rates of ADF pay.
- The DFRT requested that the ADF and DEWR work with the Tribunal in a cooperative tripartite manner to progress the base pay inquiry. It was agreed that the ADF and DEWR would provide the Tribunal with a range of pay data on ADF employments and comparable civilian employments.
- In Feb 07 the Tribunal sought additional information from the ADF and DEWR in the form of further analysis of the pay comparison data.
- Working together, a team of Defence and DEWR experts have prepared a series of papers comparing ADF salaries with civilian comparators over a range of employment categories, officer specialisations, rank and pay groups.
- Data was sourced from:
 - Australian Bureau of Statistics
 - Commercially developed salary surveys – Mercer, Chandler Macleod, Australian Institute of Management, Association of Professional Engineers, Scientists and Managers Australia
 - Awards and Collective Agreements
- Officer comparisons are limited to those specialisations covered by Graded Officer Pay Structure (GOPS) – the Specialist Officer Structure is excluded at this time.
- The comparison has focused on base salary / ordinary time earnings or equivalent in most instances. Officer comparisons are based on ADF proposals for GOPS placement. Comparisons do not address military aspects of the work of ADF personnel, or the impact of the responsibilities of rank (except as it relates to technical or occupational supervision or oversight).
- Point to point comparisons produce percentage differentials between ADF and civilian comparator salaries (ie, civilian salary exceeds ADF comparator by X%, or vice versa).
- Market-wide comparisons produce indication of ADF penetration within the market salary range (eg, ADF salary range resides wholly within the second quartile of the civilian range).
- ADF employment groups addressed were limited by the availability of civilian work comparisons that could legitimately be made (there is no civilian equivalent for many ADF roles) and include:
 - Engineer Officers
 - Logistics Officers
 - Nursing Officers
 - Aviation technical trades
 - Mechanical engineering trades
 - Marine technician
 - Navy boatswain's mate
 - Construction trades
 - Cooks and stewards
 - Stores and supply trades
 - Clerical/administrative employment categories
 - Police-related employment categories

- Naval personnel in sea-going postings (by comparison to certain Australian Customs Service personnel)
- Officers and Other Ranks at point of entry (by comparison to APS)

Overview of Results

The following observations represent an internal Defence view of the base pay situation flowing from the work done to date. DEWR at working level have indicated that they broadly agree with the Defence view and this view has been briefed within DEWR up to two star level:

- Officer rates to MAJ (E) (post GOPS) tended to place ADF within the lower three quartiles of comparator earnings ranges (from ABS and salary survey data). The assessment is that these rates are not generally competitive, with increases of the order of 20% and higher in some cases required to place earnings largely within or near top quartiles of comparator earnings ranges.
- At LTCOL, a less consistent picture is apparent – increases would be needed to place some groups within top quartile against some comparators, while the same groups are already resident in top quartile by other comparisons.
- Most other ranks comparators were at the ranks of PTE(P) (E) and CPL (E). At these ranks the ADF earnings tended to occupy the lowest three quartiles of comparator earnings ranges, with increase of the order of 20% or greater required to achieve placement within or near the top quartiles. Point to point comparisons indicated relative salary deficits, generally, of 10% to 30% against a range of industry comparators.
- Limited comparators identified at SNCO ranks. As for senior officers, the nature of work undertaken at these ranks limits reliability of comparisons. Nevertheless, significant relative salary deficits were indicated in several instances.
- On a total earnings basis (including Sea Going Allowance and Service Allowance) Navy sea-going earnings were between 45% and 105% below the earnings available to sea-going Customs personnel, when adjusted for work/leave regimes. This result may have limited application to the Base Pay Inquiry for several reasons:
 - Based on total earnings (including SGA and Service Allowance), rather than base salary alone,
 - Involves comparison with only a single comparator group, and may not be indicative across a wider range of competitor employments,
 - The adjustment for work/leave regime difference has not been tested outside DMSA-P – it may be considered contentious.

The DFRT has reviewed the data provided so far and have advised that it has been useful in their deliberations. On 25 Jul 07 they advised CDF that they did not see a need for an across-the-board pay increase for ADF members and would await further submissions from the ADF. They have requested that further work be done on the methodology for the comparative analysis.

Summary

The data gathering and analysis for the comparative analysis indicates that there could be a strong case for adjustments in base pay at certain points in the pay structures. However, the data does not support a case for an across the board percentage pay increase. A targeted regime of pay adjustments seeming most appropriate from the data at hand mostly focused on the ORs, with some adjustments in the junior officer ranks. Pay improvement for officers has been largely addressed through the recent DFRT approval of placement of officers in the new Graded Officer Pay Structure.

A 50% confidence cost estimate for a base pay adjustment based on the analysis available would be of the order of \$200M per annum net additional cost. This funding is currently not provisioned and would need to be sourced from Government. Some further work will be required to refine these estimates to take account of the potential for the absorption of some of the current retention bonuses and recent remuneration reforms.

Attachment B

RECENT REMUNERATION REFORM

The following reforms have been approved, funded and mostly implemented over the past three years:

- Competency-based salary structures were introduced during 2003 and 2004 for ADF doctors, dentists, lawyers and chaplains. Cost \$8.4m per annum (pa).
- Major qualification and skill (Q&S) allowances were made superannuable for all ranks in Aug 04. (Remuneration Reform Project (RRP) Phase 2). Cost \$13.5m pa.
- The Graded Officers Pay Structure (GOPS) was introduced on 5 Oct 06 (RRP Phase 3), enabling the Major Q&S allowances to be rolled into officers and WO1(E) pay from that date. Cost \$0.2m pa.
- Pay for Reserve members has been reformed (Aug 06) in light of the changing nature of Reserve employment within the ADF, resulting in a pay rise for all reservists that meet full time ADF competency standards of approximately 15%. Cost \$181.6m over 4 years.
- A flexible senior officers' (07 and 08s) banded pay structure was established in Oct 06, with the CDF able to seek individual salary determinations for senior officers from the DFRT.
- A new 16 pay grade structure for ORs was approved by the DFRT on 29 Mar 07 (RRP Phase 4, stage 1). The new structure took effect on 9 Aug 07. Cost \$23m pa.
- A new pay structure for Warrant Officer Class One (WO1) (equivalents) was approved by the DFRT and took effect on 9 Aug 07. Cost \$4m pa.
- Placement of Officers into the Graded Officer's Pay Structure. With effect 9 Aug 07 officer employment categories were placed in the new pay structure in accordance with Service requirements. Cost \$102m pa.

Attachment C

**OVERVIEW OF PLANNED REMUNERATION REFORM
TO BE IMPLEMENTED OVER THE NEXT 18 MONTHS**

RRP Phase 4 (Stage 2)

- **Purpose.** To consolidate the Other Rank pay structure to 8 pay groups and provide the ADF with a sustainable and enduring pay structure.
 - **Cost.** \$57m pa. Funded from Government supplementation in 08/09 Budget.
 - **Timings.** Stage 2 target date 1 July 2008.
- **Key Issues.**
 - Structural changes result in pay increases for over 50% of Other Ranks. Pay increases are not universal.
 - The DFRT has approved amendment to WO1(E) pay rates and placement with effect 9 Aug 07 to overcome incursion of WO2(E) into WO1(E) pay.
 - Further consolidation of pay structure to 8 pay groups requires further analysis to ensure outcomes are fair, transparent and equitable.

Seagoing Allowance and Submarine Service Allowance

- **Purpose.** Review of Seagoing Allowance and Submarine Service Allowance.
- **Cost.** \$112m over 5 years (funded as part of R2 initiatives).
- **Timings.** Submission to DFRT in Sep 07.
- **Key Issues.** These are approved Recruiting and Retention initiatives for Navy.

Comparative Analysis of Base Pay

- **Purpose.** Analyse competitiveness of ADF pay rates against the broader employment market. Provide the DFRT with data and analysis.
- **Cost.** Unfunded. Estimated at the order of \$200M pa. The comparative analysis was flagged in the R2 Submission to Government as an issue that may come back to Government in a second round of R2 initiatives.
- **Timings.** Analysis is ongoing. Submissions on targeted pay adjustments to the DFRT in 2008 and, subject to funding, implementation from Jul 08.
- **Key Issues.**
 - Preliminary comparative analysis of ADF base pay suggests that the ADF is significantly behind comparable civilian rates of pay in many employment categories.
 - The diagnostic phase of the comparative analysis is continuing with further work being done on the methodology for the comparisons.
 - Additional funding from Government will be required to support potential outcomes.

Trainee Pay

- **Purpose.** Conduct review of trainee pay, including trainee access to Service Allowance
- **Cost.** Unfunded. Approximate costs are:

- \$8m pa to amend trainee pay.
- \$43m pa for Service Allowance for trainees, if this option was to be progressed.
- **Timings.** Jan – Jul 08.
- **Key Issues.** This matter has been raised in correspondence with CDF by the DFRT. There is significant cost associated with solutions and the feasibility of dealing with this matter in the context of the Comparative Analysis of ADF Base Pay is under examination.

Review of Star Ranks Remuneration Arrangements (SRRA)

- **Purpose.** To review the continued requirement for the SRRA and the process for future adjustments to the 07/08 salary band.
- **Cost.** Unknown.
- **Timings.** To be conducted by Jun 08.
- **Key Issues.** This review was an agreed outcome of the negotiation with DEWR on the WRA/SRRA 2006-09. The ADF, DEWR and the DFRT have committed to the review.

Attachment D1

EXISTING RETENTION BONUSES AND ALLOWANCES

Pre December 2006 Retention Initiatives	Type	Begin	Window	End	Paid	Max Total Value per person	approx pa value per person
Air Traffic Controllers	Retention Allowance	1 Apr 03 (revised scheme)	open	2009	fortnightly in salary <i>amounts adjusted for graded officer pay structure placement</i>	15,000 pa	15,000
Aerospace Engineers	Retention Allowance	1-Jun-02	open	ongoing	fortnightly in salary <i>amounts adjusted for graded officer pay structure placement</i>	11,338 pa	11,338
Navy Marine, Weapons Electrical and Aerospace Engineers	Retention Allowance	31-May-05	open	end 2006 or until pay case decision (latter)	fortnightly in salary	15,000 pa	15,000
RAAF Logistics Officers	Retention Bonus	6-Feb-03	closed		up-front for 3 years service	45,000 (3 years)	15,000
Specified Senior Positions	Completion Bonus	1-Jan-05	closed	closed Aug 06	annually	27,234 pa	27,234
Army Reserve Response Force	Annual Bonus	26-Aug-04	open	ongoing	annually	700 pa	700
Submarine Arm	Completion Bonus		closed		on completion of 2 yrs service	35,000 (2 years)	17,500
RAN Observer	Completion Bonus		closed				
RAN Electronics Technical Category (Junior Sailors)	Hybrid Bonus	1-Nov-05	2005 - 2011	2016 (for DPC review in 2008, last payout may be later)	upfront and annually	50,000 (5 years)	10,000

Pre December 2006 Retention Initiatives	Type	Begin	Window	End	Paid	Max Total Value per person	approx pa value per person
RAN Mechanical and Electronics Technical Categories	Retention Bonus	1-Nov-05	open	ongoing, but for review by DPC in 2008	annually	10,000 pa	10,000
Army Completion Bonus Scheme	Completion Bonus	1-Dec-05	closed	2010 (last payout may be later)	on completion of 4 years effective service	30,000 (4 years)	7,500
ADF Personnel Individual Attraction or Retention Bonus Scheme	Either	as required		as required	as required		
RAN Seaman Officer	Completion Bonus	1-Apr-06	2006 - 2008	31-Mar-09	annually	10,000	10,000
RAN Combat Systems Operator Category	Completion Bonus	1-Jul-06	2006 - 2009	30-Jun-12	on completion of 3 years service	18,000 (3 years)	6,000
RAN Communications Information Systems Category	Hybrid Bonus	1-Jul-06	2006 - 2008	31-Dec-10	upfront and on completion of 2 years service	\$15,000 (upfront & 2 years)	7,500
Army High Readiness Reserve	Completion Bonus	1-Jul-06	open	as required	on completion of 2 years service	\$10,000	5,000
Air Force High Readiness Reserve	Completion Bonus	1-Jul-06	open	as required	annually	\$5,000	5,000
High Readiness Reserve Health Support Allowance	Allowance	1-Jul-06	open	as required	annually	\$2,500	2,500
Active and Specialist Reserve Health Support Allowance	Allowance	1-Jul-06	open	as required	annually	\$600	600
Navy Aircrew – Pilots, Observers (officers) and Aircrew (sailors)	Hybrid Bonus	17-Nov-06	2006 – 2011	2014	upfront and on completion of nominated period of service	75,000	15,000

Pre December 2008 Retention Initiatives	Type	Begin	Window	End	Paid	Max. Total Value per person	approx. pa value per person
Navy Aviation Technicians – Aviation Technician Aircraft and Aviation Technician Avionics	Hybrid Bonus	16-Oct-06	2006 – 2009	2012	upfront and on completion of 3 years service	45,000	15,000
Navy Electronic Warfare Analyst Submariner and Acoustic Warfare Analyst Submariner	Hybrid Bonus	3-Oct-06	2006 – 2009	2012	upfront and on completion of 3 years service	35,000	11,667
Navy Electronic Warfare Linguist	Hybrid Bonus	13-Dec- 06	2006 – 2009	2012	upfront and on completion of 3 years service	45,000	15,000
Naval Police Coxswain	Hybrid Bonus	13-Dec- 06	2006- 2009	2012	upfront and on completion of 3 years service	25,000	8,333
Navy Hydrographic Systems Manager	Hybrid Bonus	5-Dec-06	2006 – 2010	2013	upfront and on completion of 3 years service	35,000	11,667

Attachment D2

RETENTION BONUSES AND ALLOWANCES ARISING FROM GOVERNMENT SUPPLEMENTATION IN 2007/2008 AEs

Post December 2006 Retention and Recruiting Initiatives	Type	Begin	Window	End	Paid	Max. Total Value per person	approx. pa value per person
Army Expansion and Rank	Retention and Completion Bonus	1 Mar 07	2007 - 2008	2012	upfront for one year of service and on completion of a further 3 years service.	40,000	10,000
Army Critical Employment Category	Retention Bonus	1 Mar 07	2007 - 2009	2009	upfront	25,000	12,500
Navy Individuals Critical to Navy Capability	Retention Bonus	5 Apr 07	2007 - 2009	2009	upfront for up to two years service	100,000	50,000
Army 1RTB Recruit Instructors	Attraction and Completion Bonus	2 May 07	open	as required	on march in and on completion of training year	approx 30,000	10,000
Army Trade Transfer	Completion Bonus	15 Dec 06	open	2011	upfront and after one year	25,000	12,500
Navy recruit Instructor allowance	Retention	1 Jul 07	open	2012	on completion of 12 months in position, after that annually	30,000	10,000
Army and Navy Military Instructors allowance	Retention	1 Jul 07	open	2012	on completion of 12 months in position, after that annually	15,000	5,000

FASPERS INCOMING CORRESPONDENCE

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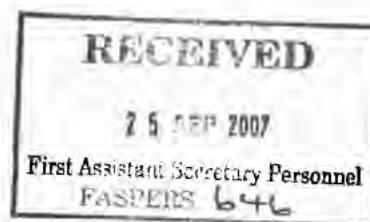
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DGNPT (s47E(d))



**DELAY IN IMPLEMENTATION OF REMUNERATION REFORM PROJECT
PHASE 4 – OTHER RANKS**

1. The implementation of the Remuneration Reform Project – Phase 4 for Other Ranks (the roll in of the Qualification and Skill elements of Special Operations, Special Action Forces, Flying and Submarine Service Allowances into salary) was planned for implementation on payday 18 October 2007 for Permanent members and 26 October 2007 for Reserve members.
2. A delay in implementation has occurred due to limited resources and high levels of work in development, programming and testing of the ADF Payroll system, ADFPAY. To ensure appropriate levels of programming and testing of this initiative occur, the implementation for Permanent members has been delayed by one fortnight.
3. For Permanent members, the change will now be made for payday 1 November 2007. Payment to Reserve members on 26 October will be unaffected.
4. The financial effect on members is minimal. The Qualification and Skill elements of Special Operations, Special Action Forces, Flying and Submarine Service Allowances have been superannuable since August 2004. A small number of Reserve members may incur minor debts if they are on one of the Qualification and Skill allowances and they attend less than a full day up until 24 October 2007. A Defence Force Salary and Allowance Accounting Circular will be published with more detailed processing instructions for the information of Pay Clerks and Service Career and Personnel Managers regarding management of these members.

5. My point of contact in this matter is s47F [REDACTED] Director Business Analysis and
Process Improvement, on s47E(d) [REDACTED]

s22 [REDACTED]

JOHN DIERCKS

Assistant Secretary Personnel Administration
s47E(d) [REDACTED]

2/ September 2007



Australian Government
Department of Defence
Defence Personnel Executive

Minute

Directorate of Military
Salaries & Allowances –
Policy

2006/1165395/1
DMSA-P 131/07

A/DGPERS-A (s47E(d))
A/DGNPT ()
DGPERS-AF ()

For information:

DGPPEC (s47E(d))
DCIPS ()

REPEALING OF Q&S DETERMINATIONS

References:

- A. Determination 11 of 2007 dated 23 Aug 07
- B. Email LTCOL Haynes to DMSA-P / Defence Pay dated 23 Mar 07

1. Reference A details the requirement for the ADF to re-draft Determination 6 of 1992 and present it to the DFRT for consideration by 31 Oct 07. Determination 6 of 1992 is the primary instrument governing ADF salary. This Determination has been amended numerous times over the past decade and now needs comprehensive redrafting. As part of the re-write of Determination 6 of 1992 the DFRT has questioned the requirement for Q&S allowance Determinations following the roll-in of these allowances into Officer and Other Ranks salaries. The DFRT has the expectation that Q&S allowance Determinations will be repealed as part of the re-write.

2. In order to meet the DFRT intent to "clean up" Determination 6 of 1992 and Q&S Determinations the ADF will be submitting a draft re-write including the repeal/re-write of the Q&S Determinations to the DFRT by 31 Oct 07. The impact of this redraft will be the cessation of the following Q&S allowances:

- a. Flying Allowance.
- b. Submarine Service Allowance.
- c. Special Operations Allowance, and
- d. Special Action Forces Allowance.

3. After the redraft there will be no provision to pay the Q&S elements of allowances. These elements are now accessed via salary placement within the Graded Officers and Other Ranks Salary Structures. Entitlements to disability elements will be maintained through a redrafted Determination that specifically covers the current disability allowance entitlements.

Defending Australia and its National Interests

4. DMSA-P has previously advised the Services of anomalies under the current Determinations where Specialist Officers have continued to receive flying allowance despite the roll-in of this allowance into Officer salaries on 5 Oct 2006. At the time of last review (Mar 07) the anomaly was limited to four Army medical officers. Of the four it is understood that three have now been discharged. Reference B details Army's intent to protect the remaining member whilst the nature of his employment remains unchanged. Reference B also details the rescinding of past policy that enabled the anomaly to occur.

5. In order to address any unintended consequences of repealing the Q&S Determinations DMSA-P requests that the Services review any requirement to continue the legitimate payment of the Q&S allowances beyond 31 Oct 07. It should be noted that the disability entitlements of the respective allowances will remain unchanged. If a requirement exists DMSA-P requests an appropriate Service proposal to replace current provisions by NLT 19 Oct 07. The DMSA-P POC in regards to this matter is CMDR Jim Clough, RANR, on s47E(d)

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COL
DMSA-P

Not

s47E(d)

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E-mai

3 Oct 07

**SENATE STANDING COMMITTEE ON FOREIGN AFFAIRS,
DEFENCE AND TRADE – ADDITIONAL ESTIMATES
FEBRUARY 2008**

TITLE: REMUNERATION REFORM PROJECT

ISSUE: What progress has been made on remuneration reform in the ADF?

KEY ISSUES

- The ADF has undertaken, and continues to undertake, significant reform of remuneration arrangements for its members.
- Between 2000 and 2003, specialist competency-based salary structures were established for Legal Officers, Medical Officers, Dentists, and Chaplains.
- Following the Nunn Review of ADF remuneration in 2001, Defence initiated the Remuneration Reform Project.
- The Remuneration Reform Project has involved a four-phase approach to reforming ADF pay structures and rolling in of the qualification and skill elements of certain allowances to salary.
 - **Phase One** quantified the Qualification and Skill, and Disability components of the major environmental allowances, that is, flying, submarine service, special action forces and special operations allowances. This phase concluded in mid-2003.
 - In **Phase Two**, the Qualification and Skill elements of the major environmental allowances were made superannuable. The Defence Force Death Benefits Act Regulations and the Military Superannuation Benefits Scheme Rules were amended in August 2004 to make the Qualification and Skill elements part of superannuable salary.
 - **Phase Three** involved the development of a graded pay structure for officers and Warrant Officers Class One. The new pay structure incorporates the Qualifications and Skills elements of the flying, submarine service, special action forces and special operations allowances as part of salary for all officers and Warrant Officers

Class One. The new structures were put in place on 5 October 2006.

- With effect 9 August 2007 all ADF officers and Warrant Officers were placed in the new pay structure. This exercise has provided increased pay for many ADF officers and Warrant Officers.
- **Phase Four** involves the restructure of Other Ranks pay by rolling into salary the qualification and skill elements of allowances in a manner similar to the officers. On 13 December 2006, the Defence Force Remuneration Tribunal approved a new 16 pay grade structure for Other Ranks. The new structure was implemented on 9 August 2007.
- Further reform of the Other Rank pay structure is planned in 2008. It is intended to consolidate the number of pay grades in the Other Rank pay structure from 16 to 10. This will provide a more robust and enduring structure in which there is more significant differentiation between pay grades and improved remuneration reward for increased levels of skill.

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Assistant Director
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s47E(d)

21 Dec 07

REMUNERATION REFORM PROJECT

What progress has been made on remuneration reform in the ADF?

KEY ISSUES

- The ADF has undertaken, and continues to undertake, significant reform of remuneration arrangements for its members.
- Between 2000 and 2003, specialist competency-based salary structures were established for Legal Officers, Medical Officers, Dentists, and Chaplains.
- Following the Nunn Review of ADF remuneration in 2001, Defence initiated the Remuneration Reform Project.
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 - **Phase One** quantified the Qualification and Skill, and Disability components of the major environmental allowances, that is, flying, submarine service, special action forces and special operations allowances. This phase concluded in mid-2003.
 - In **Phase Two**, the Qualification and Skill elements of the major environmental allowances were made superannuable. The Defence Force Death Benefits Act Regulations and the Military Superannuation Benefits Scheme Rules were amended in August 2004 to make the Qualification and Skill elements part of superannuable salary. Cost \$13.5m p.a.
 - **Phase Three** involved the development of new graded pay structures for officers and Warrant Officers Class One. The new structures enabled the Qualifications and Skills elements of the flying, submarine service, special action forces and special operations allowances to be incorporated in salary for officers and Warrant Officers Class One. The new structures were approved on 5 October 2006.

- Following a substantial review by the DFRT, all ADF officers and Warrant Officers were placed in the new pay structures, with effect 9 August 2007. This exercise has provided increased pay for many ADF officers and Warrant Officers at a cost of \$106m p.a.
- **Phase Four** involves the restructure of Other Ranks pay by rolling into salary the qualification and skill elements of allowances in a manner similar to the officers. On 13 December 2006, the Defence Force Remuneration Tribunal approved a new 16 pay grade structure for Other Ranks. The new structure was implemented on 9 August 2007 at a cost of \$23m p.a.
- Further reform of the Other Rank pay structure is being carried out in 2008. The intention is to consolidate the number of pay grades in the Other Rank pay structure from 16 to 10. This will provide a more robust and enduring structure in which there is more significant differentiation between pay grades and improved remuneration reward for increased levels of skill. The Warrant Officers pay structure will be expanded to 10 pay grades to maintain the salary alignment of the two pay structures.
- The Defence Force Remuneration Tribunal will review ADF Star Ranks Remuneration on 15 May 2008. At this hearing, the Tribunal will consider the future of the Star Ranks Remuneration Arrangement.

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May 08