

FACT SHEET

Remuneration

Maritime Domain Military Factor Framework Phase 2 Update

Military Factor is the 12 tier allowance framework that incorporates existing disability and sustainability allowances into a simpler, more transparent framework.

Benefits

A single allowance rate based on your Military Factor Tier placement on your payslip.

Maritime Allowance Reform Update

Military Factor is a new 12 tier allowance framework that incorporates the existing ADF allowances into a more transparent and simpler framework.

Under the Military Factor Framework:

- There are 12 tiers with consistent rate differentials
- Personnel only receive one allowance tier per day
- Qualifying periods are consistent
- All annual rates have a corresponding daily rate
- All personnel who receive payment under the Military Factor gain Additional Recreational Leave (up to 10 days per calendar year).
- Eligible personnel will be placed in a relevant allowance tier dependent on the nature of their employment.

Military Factor Implementation

When Military Factor Framework - Phase One was due for implementation, it was identified that changes to the existing pay system would take significantly longer to update than anticipated. So the Navy maintained our commitment to Navy People about the rollout date and to benefit the maximum amount of people, it was necessary to make interim changes to the existing allowances that resulted in some members receiving allowances above the planned Phase Two Military Factor amount. These members included Submariners at sea, Clearance Divers in clearance diving teams, and Aircrew on flights. Upon MFF Phase Two implementation (29 August 2024) all pays will reflect the true, mature MFF. The higher allowances legitimately received during the Phase One transition period will not need to be paid back. Notwithstanding, any members paid allowances in error during Phase One will be subject to the usual debt recovery processes.

Lead: Deputy Chief of Navy

TARGETING

Maritime Crews

YOU GET

Maritime Allowance
Reform

WHEN

Phase 1 - 25 May 23
Phase 2 – 29 Aug 24
(in pay 12 Sept 24)

See [Military Factor Framework – Navy Workforce Impacts Fact Sheet](#) for more information.



Phase One

In Phase One, implemented on 25 May 23, members received the vast majority of benefits associated with the MFF. In Phase One:

- The values of existing allowances were adjusted to ensure the amount members received aligned as closely as possible to the value of allowances members would receive when the mature MFF is implemented in Phase Two.
- Standard qualification period of a 'calendar day' were introduced for Field and Maritime Allowances
- Maritime Sustainability Sea Services Tiers were revised
- Clearance Diver teams became eligible for sea service time and access to Maritime Sustainability Allowance
- There was a \$2000 increase to Permanent Trained Force annual salary rates (pro-rata for Reserves and Trainees)

Phase Two

Phase Two will see full implementation of the MFF, including:

- Implementation of the Military Factor Framework rules:
 - Eligible personnel are paid at the highest applicable tier each day depending on the rules of the allowance placement.
 - Only one tier payable on each day.
 - All personnel who receive payment under the Military Factor will receive Additional Recreational Leave (up to maximum of 10 days).
 - On occurrence activities paid daily (noting qualifying periods for Field and Maritime allowances).
- Pay system automation of 8-10 years and 10 years+ sea service tiers for Maritime Sustainability
- Automation of new allowances including:
 - Maritime Deployable Support Element
 - Clearance Diver Support – Medic

Maritime Crews Placements

<u>Maritime Crew Alpha</u>	Maritime Support elements – disability allowances ADF Dive Trainees, ADF Dive Instructor and CD Dive Instructor
<u>Maritime Crew Bravo</u>	Major Fleet Unit Disability and Maritime Sustainability allowances
<u>Maritime Crew Charlie</u>	Minor War Vessel Disability and Maritime Sustainability allowances
<u>Maritime Crew Delta</u>	Submarine Disability and Maritime Sustainability allowances
<u>Maritime Crew Echo</u>	Flying, Major Fleet Unit Disability and Maritime Sustainability allowances
<u>Maritime Crew Foxtrot</u>	Clearance Diving Allowance, Maritime Disability (discounted) and Maritime Sustainability allowances
<u>Boarding Party Tier Zulu</u>	Boarding Party disability allowance



Maritime Crew - Alpha

Maritime Crew Alpha represents those allowances that compensate for environmental disabilities only.

Maritime Deployable Support Elements and the CD Support – Underwater Medic were paid by supplementary payments in arrears in Phase One, Phase Two will see these payments automated from 12 September 2024 pay date.

ADF Dive Trainees, ADF Dive Instructor and CO Dive Instructor are also in Crew Alpha placed at Tier B, C and D respectively.

ADF Daily Diving Rate is at Tier L.

Maritime Crew - Bravo

Maritime Crew Bravo compensates for maritime disability allowance for disabilities equivalent to those of a Major Fleet Unit, and maritime sustainability allowance. Members are now eligible for successive maritime crew tiers for every two years of sea service.

Maritime Crew - Charlie

Maritime Crew Charlie compensates for maritime disability allowance for disabilities equivalent to those of a Minor War Vessel, and maritime sustainability allowance. Members will be eligible for successive maritime crew tiers for every two years of sea service.

Maritime Crew - Delta

Maritime Crew Delta compensates for maritime disability allowance (MDA) for disabilities equivalent to those of a Submarine, and maritime sustainability allowance (MSA). Members will be eligible for successive maritime crew tiers for every two years of sea service.

So the greatest number of Navy people could benefit from the Military Factor Framework under Phase One, it was necessary to make interim changes to the existing allowance structure that resulted in Crew D members in MSA tiers 2 to 6 (two or more years of accrued sea service) receiving higher allowances during Phase One than they will under the mature Military Factor (Phase Two). As advised during Phase One communications, these higher amounts will cease on implementation of in Phase Two. Members in crew D will still receive higher allowances under the full MFF (Phase Two) than they did before Phase One. There will be no requirement for members to pay back the higher amounts that were legitimately received in accordance with the updates to the existing individual allowances in Phase One.

Example: LSMTSM Ash is posted to HMAS *Collins* and has completed 9 years of sea service. Prior to MFF Phase One, LS Ash received \$40,206 in MDA/MSA. On implementation of Phase One, LS Ash is placed in Tier 5 and his pay slip started displaying three separate allowances on any given fortnight, including MDA (\$27,145 annually) and MSA (\$25,428 annually), and a supplementary payment in arrears (\$4,221 annually). The combined rate of these allowances (\$56,794 annually) is higher than what LSMTSM Ash will receive when Phase Two is implemented (\$52,545 annually). The Phase Two amount is still higher (by \$12,339) than what LS Ash received before Phase One.



Maritime Crew - Echo

Maritime Crew Echo compensates for maritime disability allowance (MDA) for disabilities equivalent to those of a Major Fleet Unit, maritime sustainability allowance (MSA), and flying disability allowance (FDA). Members will be eligible for successive maritime crew tiers for every two years of sea service.

So the greatest number of Navy people could benefit from the Military Factor Framework under Phase One, it was necessary to make interim changes to the existing allowance structure that resulted in Crew E members receiving MSA tiers 2 to 6 (two or more years of accrued sea service) receiving higher allowances during Phase One than they will under the mature Military Factor (Phase Two). As advised during Phase One communications, these higher amounts will cease on implementation of in Phase Two. Members in crew E will still receive higher allowances under the full MFF (Phase Two) than they did before Phase One. There will be no requirement for members to pay back the higher amounts that were legitimately received in accordance with the updates to the existing individual allowances in Phase One.

Example: LEUT Sam is a pilot posted to a ship's flight, and has completed 5 years of sea service (Tier 3). In Phase One LEUT Sam's pay slip has displayed three separate allowances on any given fortnight, including MDA (\$14,448 annually), MSA (\$21,164 annually), and FDA (\$10,215 annually). The combined rate of these allowances (\$45,827 annually) is higher than what LEUT Sam will receive when Phase Two is implemented (\$44,079 annually). The Phase Two amount is still higher than the allowance amount a flight pilot with 5 years of sea service would have received before Phase One (\$35,803 annually).

Maritime Crew – Foxtrot

Maritime Crew Foxtrot compensates for clearance diving allowance (CDA), maritime disability allowance (MDA) (discounted) and maritime sustainability allowance (MSA). Clearance Divers (CD) posted to either a seagoing vessel or a Clearance Diving Team (CDT) will be eligible for this placement and progression through the tiers. This is a change from before Phase One when CDs in CDT did not receive MSA or accrue service towards MSA tiers.

So the greatest number of Navy people could benefit from the Military Factor Framework under Phase One, it was necessary to make interim changes to the existing allowance structure that resulted in Crew F members in CDT receiving Maritime Sustainability Allowance (MSA) tiers 2 to 6 (two or more years of accrued sea service) receiving higher allowances during Phase One than they will under the mature Military Factor (Phase Two). As advised during Phase One communications, these higher amounts will cease on implementation of in Phase Two. CDs in CDT will still receive higher allowances under the full MFF (Phase Two) than they did before Phase One. There will be no requirement for members to pay back the higher amounts that were legitimately received in accordance with the updates to the existing individual allowances in Phase One.

Example: LSCD Charlie is posted to a CDT, and has completed 7 years of combined operational CDT and sea service (Tier 4). In Phase One, LS Charlie's pay slip has displayed two separate allowances on any given fortnight, including CDA (\$27,145 annually) and MSA (\$25,428 annually). The combined rate of these allowances (\$52,573 annually) is higher than LS Charlie will receive when Phase Two is implemented (\$48,312 annually). The Phase Two amount is still higher than the allowance amount a CD in a CDT would have received before Phase One (\$24,151 annually).



Transition payments for Clearance Divers posted to MFU and MWV

Changes implemented in the Military Factor Framework included a consistent placement for CDs posted to CD teams and those posted to MFU/MWV, in order to better balance MFF payments made to CDs through their careers. These changes resulted in an increase in allowances for CD in CD Teams, but reduced the allowances payable during CD postings to MFU/MWV. Therefore, CDs posted to CD positions in MFU/MWV will be protected by transition payments until 25 May 2026.

Transition Payment Example: Prior to MFF Phase One, LSCD Alex was posted to a MHC and on sea service tier 1 based on their accrued one year of sea service. LSCD Alex has previously been posted to CDT One for a period of two years. On implementation of the military factor, LSCD Alex's sea service time was updated to reflect their combined sea days and CDT time. This meant LSCD Alex's accrued sea days were adjusted to three years and they were placed at MSA tier 2. Due to changes in the allowance structure for CDs posted to CD positions in MFU/MWV, LS Alex will receive transition payments for the remainder of their sea posting or until 25 May 26 (whichever is sooner).

Boarding Party Allowance - Zulu

Boarding Party Allowance is placed in Tier Z. Meaning, on the day a member now becomes eligible for boarding party allowance, the member will be placed on the highest disability tier for that day despite where they sit within the maritime crew allowance tiers.

Example: On HMAS Arafura ABCIS Grant is on Maritime Crew Charlie - Tier 1 POB Clare, is on Maritime Crew Charlie - Tier 4. Upon boarding a target vessel, they are both eligible to progress to the Tier Z boarding party allowance, being a maximum daily rate.

Military Factor Information and Questions



pay-conditions.defence.gov.au/adf-employment-modernisation



adf.employmentoffer@defence.gov.au

