

Senate Foreign Affairs, Defence and Trade Legislation Committee

Answers to written questions on notice
DEPARTMENT OF DEFENCE

Additional estimates 2001—2002; 20–21 February 2002

Reserves

QUESTION W40

- a) Please provide information on the number of reservists (both full-time and part-time) who were once ADF members. In particular, please provide:
- numbers of ADF members who have become full-time reservists within 1 year of leaving the ADF and
 - information on which of the Services, and broad skill-types within each Service, ADF members who became full-time reservists at any point after leaving the ADF came from.
- b) Please provide figures on the total number of applications made under the Employer Support Payment Scheme.
- c) How much has been paid out to employers under this scheme to date?
- d) Please provide information on how payments under the Employer Support Payment Scheme are calculated (eg, daily; is the rate the same regardless of whether the employee is part-time, full-time, high-paid, low-paid casual? etc).
In particular, please specify whether the Commonwealth expects that employer to continue making superannuation payments to the employee for the duration of the Reservists' service. Does the total advertised amount payable by the Commonwealth to the employer under the Scheme (the equivalent of Average Weekly Earnings) include superannuation and other on-costs for employees such as leave, or are such costs paid to the employer in addition?
- e) Please supply information (in total numbers or percentages) on types of applicants under the Scheme: eg, self-employer Reservist, small businesses, large companies etc.
- f) Have all applications under the Scheme been approved? If not, what applications were rejected? [Typical or general reasons will suffice- we don't want confidentiality to be breached]

RESPONSE

- a) Defence does not have a centralised personnel database able to accurately identify the numbers of Reservists who were once permanent members. It would be necessary to review all members' individual files to collect this information. Nonetheless, the 2001 ADF Reserves Survey provides well researched indicative figures. The survey found that in the Navy 77 per cent of respondents were ex-permanent members. The Army figure was 20 per cent and for the Air Force 74 per cent. Based on current Active Reserve strengths, indicative figures would be in the order of 600 in the Navy, 3,300 in the Army and 1,300 in the Air Force.

In 2001, 951 Regular Army personnel (651 other ranks and 300 officers) transferred to the active Army Reserve. Nearly all skill types or trades were represented. In the Navy, members transfer to the Standby Reserve before being allocated an active billet. The number of permanent Navy members who transferred to the Standby Reserve in 2001 was in the order of 110. Five of these members became active in 2001. Indicative figures from the Air Force show that approximately 500 Permanent members transferred to the Active Air Force Reserve in 2001. No figures are available for the Navy and Air Force on trade or skills types.

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- b) Applications under the Employer Support Payment Scheme are submitted for approval at unit level. There is no centralised database that records applications that have been rejected at this level. As at 28 February 2002, there had been 582 successful applications made under the scheme.
- c) As at 28 February 2002, a total of \$3.938m had been paid to employers under the scheme.
- d) Payment under the scheme is subject to the Reservist completing an initial qualifying period of 14 days in blocks of no less than five days at a time. Payment is calculated on a weekly basis for a minimum period of five continuous days of service. A period of five, six or seven days is counted as a week. In the event that an eligible period of service includes part of a week, payment for those days is based on a pro-rata entitlement to further payment.

Employers of part-time employee Reservists are entitled to payment of the Employer Support Payment on a pro rata basis (based on their usual hours of work in comparison to a full-time working week of 35 hours).

The Employer Support Payment is paid at a flat rate based on the average weekly full-time adult ordinary time earnings figure utilising trend estimates for February as published by the Australian Bureau of Statistics. The current amount is \$809.70 per week. The ordinary salary of the individual Reservist is not taken into consideration when calculating the rate.

There are provisions for payment of the Employer Support Payment at a higher level in cases of significant financial hardship. The determination of a higher rate is on a case-by-case basis.

Employers of casual employee Reservists are not entitled to Employer Support Payments, where such employment is on an irregular or unreliable basis.

Self-employed Reservists are entitled to the Employer Support Payment on the same basis as employers of full-time employees. The business or company must be the self-employed Reservist's principal source of income.

The Employer Support Payment is payable for a maximum continuous period of 78 weeks for a single period of service. After this, a further qualifying period must be completed before any payment may be made for a new period of Defence service.

There is no requirement under the scheme for the employer to continue to make superannuation payments on behalf of the member.

The Employer Support Payment does not include any element for superannuation or on-costs, nor are any additional costs paid to the employer. As previously stated, there are provisions for payment of the Employer Support Payment at a higher level in cases of significant financial hardship. In considering a claim for payment at a higher level, the Director of the Employer Support Payment scheme may consider such factors as the impact of business or

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practice wages, on-costs and rental in determining whether to accept the claim and the level of payment to be authorised. The determination of a higher rate is on a case-by-case basis.

- e) This information is not collected.
- f) No. Delegates are required to reject applications that do not meet the eligibility criteria. Typical reasons for rejection include the following:
- The claim was made for a period of service undertaken before the Scheme came into effect.
 - The claim was made for a period of service for which no qualifying period had been completed.
 - The delegate was not satisfied as to the legitimacy of the business for which a self-employed Reservist was claiming.
 - The business for which a self-employed Reservist was claiming was not the member's principal source of income.
 - A self-employed Reservist continued to undertake the work of the business during the period for which the business was claiming the Employer Support Payment.
 - The delegate was not satisfied that a legitimate employment relationship existed between the business and the member.
 - The member had been released by the employer on annual (recreation) leave.

**Defence Personnel Environment Report (2020 Scan)
QUESTION W41**

- a) Why was the 2020 Scan not publicly released until January 2002, when it was completed in August 2001?
- b) Is the Government intending to make a formal, public response to the 2020 Scan?

RESPONSE

- a) The Defence Personnel Environment Scan 2020 was officially launched internally on 31 October 2001. While only those external organisations involved in the project were invited to attend the launch, the report was made available to the public through the Defence internet site on the same day.

The 2020 Scan was a Defence-initiated report which was made widely available to encourage debate on how Defence is, and should be, approaching key personnel issues. It is a source document for many studies and the development of personnel policies and plans.

- b) The 2020 Scan is an internal strategic management tool and, as is usual, does not require a formal, public response by the Government.