

## ANALYTICS GROUP

Government Financial Management and Procurement Specialists



# AUSTRALIAN FEDERAL POLICE SINGLE OVERSEAS DETERMINATION PROJECT

REVIEW, RECOMMENDATIONS AND PROPOSED OVERSEAS SINGLE  
DETERMINATION

November 2012





## Executive Overview

### Overview

The AFP appointed Analytics Group to liaise with key stakeholders; advise on content; and assist the AFP in the design and development of a Single Overseas Determination that would apply to AFP members deployed or posted overseas. The Single Overseas Determination is to apply to all AFP functions and deployment locations. The desired implementation date of this determination is July 1st, 2013.

Analytics Group provides the following report, which incorporates our review of existing AFP overseas determinations, comparisons with identified benchmark agencies and the proposed single overseas determination. Our approach focused heavily on gathering evidence and performing analysis to prepare a robust and defensible set of terms and conditions that meet the needs of the organisation and key stakeholders. This report and recommendations will facilitate AFP decision making in terms of compensating employees in overseas deployments and postings. Our approach was underpinned by constant communication with AFP ER, NMHR, IDG and International representatives and the Single Determination Steering Committee.

Each existing determination was developed for a specific need or purpose and provides the basis for the primary analysis of the requirement for the Single Overseas Determination. Whilst the reasons and substance of each determination is grounded upon relevant matters at the time of inception, the need to consolidate under a consistent set of terms and conditions is now necessary. Further, the level of inconsistency that has emerged from the varying provisions of each determination creates inequity in application across the AFP.

### Benchmark Comparisons

The analysis does not focus on Australian-based / Enterprise Agreement differences or elements not specifically covered by benchmark agencies and to a large extent the composite / flexibility element overlaps this exclusion. The unique operating environment of a 'sworn police force' predicates that there is unlikely to be a like-for-like comparison at the 'base salary' level with a variety of differentiating considerations. Our comparative focus is therefore centred on the additional allowances payable for being deployed overseas.

- **Overseas / Cost of Posting Allowances (COPA):** This compensation is covered by all benchmarked agencies, as well as the AFP. The application and approach however varies.
- **Location / Hardship Allowance:** Det 1/2001 (International) and Det 20/2005 (IDG) both have coverage for an equivalent Location Based Allowance. This allowance is based on the Employment Conditions Abroad (ECA) calculation which is relied on by other agencies.
- **Cost of Living Allowance (COLA):** International Determination 1/2001 pays COLA on the same terms as all benchmark agencies. At present only a few countries where AFP staff are posted attract a COLA payment.
- **Accommodation:** All agencies, including AFP, provide accommodation for their deployed officers.

While this has been a particularly complex review however we believe we have provided a consistent Single Overseas Determination which caters for all AFP posting requirements. We have focussed on simplifying the allowance process as much as possible but continue to ensure appropriate compensation for the elements unique to an overseas deployment. Further, the recommended approach ensures that there is a clear distinction between the allowances and removes ambiguities in current determinations in relation to what the allowance is covering.

The most important consideration provided is in relation to treatment of tax exempt postings. Our analysis identified that benchmark agencies pay most allowances in 'net terms' and then gross up to account for the tax paid by deployed officers. We have extended this approach into the proposed AFP determination which removes the current situation of taxed and tax-exempt posted officers receiving the same gross allowances, creating a much greater disparity between the two posting options. This will present substantially lower benefits for tax exempt postings, but still remains an advantageous posting in that the base salary elements remain tax exempt.





## Summary of the Proposed Determination

## PROPOSED SINGLE OVERSEAS DETERMINATION FRAMEWORK

Base Salary / Work Level Standard	<ul style="list-style-type: none"> <li>In accordance with EA/ ELEA/ SES</li> <li>Higher Duties Available</li> </ul>	Base Salary
% Base Salary	<ul style="list-style-type: none"> <li>20% Flexibility Band 1-8 Only,</li> <li>0% for Band 9 and SES as this is already compensated for in base salary</li> </ul>	Flexibility Allowance
% Salary but capped at a base salary level of \$100,000	Specific Allowance related to (ECA) rank, 0 – 30% of a base salary of up to \$100,000. Covers the cost of country specific conditions. Grossed up for Taxed postings	Location Allowance
	Based on COLA allowances. Provides for a safety net for deployments to high cost destinations. Payment is Tax exempt. Paid as (%) of a base salary of up to \$100,000	Cost of Living Allowance
	Covers all other allowance compensation related to being posted overseas. 20% salary capped at \$20,000 paid net and grossed up for taxed postings	Overseas Allowance
Reimbursed to account for FBT 50% deduction	Payment by reimbursement for leave fare. 1 per year per officer and spouse / each dependent at post. Only applies to postings of 2 years or more.	Annual Leave Fare
\$ Value, grossed up for Taxed Locations	Allowance for all other costs and/or special considerations. Can be either \$ value or additional leave, or both. NMHR/REM Committee delegation	Special Circumstances
\$ Value, grossed up for Taxed Locations	AFP provides accommodation to acceptable standard. Extent to which this cannot be provided results in compensation, for example \$5 to \$35 per day (field Allow equ.)	Accommodation
\$ Value , grossed up for Taxed Locations	Allowances paid by other parties, eg UN, results in equivalent deduction from these allowances paid. Where AFP provides meals a deduction will be taken (eg. \$15 per day)	Deductions





# PROPOSED SINGLE OVERSEAS DETERMINATION FRAMEWORK

This would include single parents that leave children at home

Unaccompanied deployments may have dependants in Australia.

Leave to mirror to the largest extent possible, existing Australian employment agreements.

## Other Allowances

Education / Tuition to mirror DFAT for dependants and only available for postings of 2 years or more.

Additional payment of \$5,000 p.a. for a spouse, and \$2,500 p.a. per other dependant, and grossed up for taxed postings. Paid as a fortnightly allowance. If spouse or dependant remain in Australia the allowance is still payable in lieu of reunion fares. This payment is only made for deployments of 2 years or more.

Access to a Outlay advance paid back within 12 months. Consider increasing Outlay Advance level to account for no other lump sum payment at time of deployment. Total to reside inside the calculated ATO / FBT exempt levels. Only available for deployments of 1 year or more.

Removal and Storage of personal effects are paid by AFP within standard limitations. Only available for deployments greater than 12 months and when the Australian residence is not being maintained.

Accompanied postings are only available for 2+ year postings.

## Leave

Sick Leave to get initial allowance of 18 days and additional 18 days on each anniversary.

Sick leave exceeding this will generally be returned to Australia and revert to Australian based industrial agreement. Sick Leave accrued on mission expires at end of deployment. Normal documented evidence of sick leave required.

All other leave combined as Mission Leave, and is applied as follows:

- 5 or 6 weeks annual leave (per existing EA or ELEA or SES Agreement)
- Consideration for public holidays (11) and MRD's (4) and close down
- Where officers work a 7 day week cycle, leave is increased accordingly

Where leave cannot be taken at post, it will be taken upon return to Australia and must be taken before other accrued leave is taken.

The proposed determination is examined in detail in this report. The above summary provides a basic overview of the proposed position. With the exception of the flexibility payment, the proposed determination is equivalent or better in total allowances paid by benchmarked agencies, with few exceptions. Also, with the exception of base salaries and flexibility payments, all allowances will be calculated and paid in net terms, and only grossed up for officers required to pay tax. This will remove the 'double dipping' of tax exempt postings. Each element is considered as follows:

### Base Salary

In the proposed Single Overseas Determination, salaries of deployed officers are linked to the base salaries payable according to the level of the position under the applicable Enterprise Agreement 2012-2016, Executive Level Enterprise Agreement 2011 or SES agreement.





### Superannuation

Base salary will be the ONLY component of the determination that is counted for superannuation purposes.

### Flexibility Allowance

In the proposed Single Overseas Determination, a 'flexibility allowance' will be paid to Band 1-8 employees. The rationale behind the payment will be consistent with that behind the payment of the composites domestically but to meet the overseas requirements. EL and SES base salaries already incorporate this flexibility.

### Location Allowance

The Location Allowance will vary according to the country and at times within a country, as determined by the ECA Location Ranking system, which ranks each location on a scale from A-F, providing for allowances ranging from zero to 30 per cent to be paid on a net basis (ie. grossed up for taxed locations). In line with other allowances, it is proposed that the allowance payment is capped at a base salary level of \$100,000.

### Cost of Living Allowance (COLA)

It is proposed that a Cost of Living Allowance (COLA) will be paid to employees against their base salary, but capped at a base salary level of \$100,000. COLA is calculated to compensate employees for the difference in the cost of living at an overseas post and living in Australia. This is achieved by applying a cost of living allowance index for the overseas country to an average overseas-based AFP employee's base salary, to be reviewed from time to time. To the extent that the cost of living is higher in Australia than it is at an overseas post, no negative COLA index will be applied.

### Overseas Allowance

In the Single Overseas Determination, it is proposed that an Overseas Allowance will be paid to employees on a fortnightly basis to compensate for the wider range of impacts a posting has on their lives. It will serve as an incentive for overseas service and also provide a buffer to even out the effects of costs which may not have been picked up by COLA. The amount of the Overseas Allowance will be calculated at 20% of base salary but capped at a base salary level of \$100,000, and will be grossed up for taxed postings but not for tax-free posting. The payment will apply if an employee is unaccompanied or accompanied.

### Travel to / From Post (Commencement and Conclusion of Posting)

The AFP's liability for costs associated with travel to commence deployment or return at the end of the deployment will be limited to:

- An economy airfare from the employee's post back to Australia at the allowable cost for the employee and each approved dependant located at the post.
- Premium Economy airfare (where available) for Executive Level Officers and their approved dependants where the international leg exceeds 4 hours in duration; and
- Business Class airfare for SES officers and their approved dependants where the international leg exceeds 4 hours in duration.

### Leave Fare Assistance

In the Single Determination, it is proposed that 1 Leave Fare per fully completed year of deployment be provided to each employee and his/her dependants deployed overseas for deployments of 2 years or more. This will be capped at the cost of a return economy airfare to Australia.

### Special Circumstances

There is a need to include a clause to provide for special or unique circumstances that are not addressed within the proposed agreement. It is suggested that this be in the form of a general provision that is held at a delegation level of NMHR or above. This approach will 'future proof' the current determination to some extent as it has capacity to apply to new and emerging requirements for overseas postings.

One such special consideration that needs to be included is in relation to Afghanistan. Currently, deployments to Afghanistan are provided with additional leave (up to 100% more than standard deployments) and additional allowances. This would form a short supplement to the base determination that provides for this specific circumstance.





### Accommodation Allowances

AFP, under the standard terms and conditions of this determination, are provided accommodation to an acceptable standard for its deployed officers. To the extent that the AFP is unable to provide this standard of accommodation commensurate with normal expectations due to location or operational constraints, additional accommodation allowances may be payable, subject to AFP determination (through NMHR). An Accommodation Supplement is designed to compensate an Employee for the additional hardship attributable to a deployment by virtue of the quality of accommodation in which they reside whilst deployed.

### Deductions

Deductions to the allowances payable have been considered under two major categories, food and UN Allowances. Where food is provided or is available to the deployed officer, a deduction from the overall allowance paid to the officer will be taken to the value of \$15 per day. Where a deployed officer receives an allowance from a third party, for example United Nations, the value of this allowance will be deducted from the overall allowance paid to the officer, on the understanding that the AFP will provide food, accommodation and compensate for living conditions whilst overseas.

### Other Allowances, including Spouse and Dependent Support

The decision by AFP to identify a deployment as accompanied generally resides on two factors: if the deployment is for 2 or more years, and is not specifically excluded from accompanied support. If a deployment is deemed an accompanied deployment additional allowances are available. These allowances may also be payable for deployments where either the dependants and/or spouse are unable to accompany the AFP officer for either location specific or operational reasons.

Education and boarding expenses will be covered by AFP where the school age dependants remain in Australia, but within the limits provided by DFAT and other benchmark agencies. This provides for tuition and boarding up to the value of Canberra Grammar rates on a reimbursement basis. To simplify the allowances paid for either accompanying dependants or the cost maintaining dependants in Australia (when the deployment is deemed to allow for accompanied support), including reunion fares, we are proposing a simple application of allowances, all paid fortnightly. This approach will remove all entitlements to reunion fares for spouse and/or dependants remaining in Australia, and provide financial support for the AFP officer to accompany them on posting.

### Removal of Personal Effects

Removing personal effects to the overseas office is based on a cubic metreage allowance system, subject to quarantine and Customs regulations. Any costs for an increased cubic metre allowance will be at the employee's own expense. This would continue to follow the provisions outlined in Determination 1/2001.

### Storage of Personal Effects

An employee's personal effects not removed to the overseas office can be stored in Australia at the AFP's expense from the day of uplift until the completion of deployment. Approval may be given for storage charges at AFP expense up to a maximum of 6 weeks from the date of departure from the overseas office. This would continue to follow the provisions outlined in Determination 1/2001.

### Medical Support

The intent of the Overseas Health Provisions is to provide for treatment of day-to-day health matters, illnesses or injuries that arise during or as a result of posting. The intention is not to provide coverage for specialised treatment of pre-existing conditions or expensive forms of elective treatment such as cosmetic treatments (eg shape altering plastic surgery, laser eye surgery, capping of teeth, joint replacements, vasectomies or IVF treatments.)

In general, this section provides assistance, as far as practicable, for access to hospital and medical facilities of a standard similar to those available in Australia. Assistance is provided in relation to medical, hospital, pharmaceutical, ambulance and ancillary (including dental) service costs. Employees are required to meet approximately the same level of health costs as they would in Australia with the AFP reimbursing excess costs of the same, or similar, service in Australia.





This would continue to follow the provisions outlined in Determination 1/2001.

#### Leave Provisions

Leave will be separately recorded and managed to ensure consistency in application of accrued benefits for tax exempt locations (ie these will be clearly identified as accrued under the relevant tax ruling and applied accordingly). The proposed single determination will also consider other leave entitlements such as Long Service Leave and Maternity / Paternity Leave. For the purposes of this determination, these additional leave types will be available only if the officer returns to Australia. This will trigger cessation of the overseas posting / deployment and the officer will return to the relevant domestic employment agreement. Further, there will be no guarantee of a return to the overseas deployment at the end of the leave.

#### Outlay Advance

An Outlay Advance is an interest-free loan available to Employees about to undertake a posting of at least 12 months in duration. It is a one-off payment designed to cover establishment and set-up costs at the post and repaid over the following 12 months in equal fortnightly deductions. To the extent that tax provisions allow, Analytics Group recommends that the outlay advance be increased from the current \$5,200 to a value closer to \$10,000. This is in response to the single overseas determination paying allowances in fortnightly instalments. Whilst this approach provides greater benefits to longer term postings through receipt of allowances over a longer period (as would be the cost to the officer in such circumstances) it does create an up-front cash outlay for organising affairs prior to post. Costs incurred by the employee to re-establish upon return to Australia should be covered through the accumulation of allowance payments whilst overseas, noting longer term deployments yield greater compensation.

#### Drafting the Determination

The draft determination will be finalised once the recommended solution is provided. This will then require AFP Legal review. It is proposed that this is completed subsequent to the AFP Executive endorsement of the proposed single overseas determination as provided in this report.

#### Key Report References

This is a detailed report. To ensure that readers focus on the key elements of this report, following are a number of key references. Further guidance can be taken from the Table of Contents on the following page.

- Summary of Existing Determinations within the AFP, refer Page 14;
- Benchmarked Agencies Analysis, refer Page 23;
- Comparison of Existing AFP Determinations and Benchmarked Agencies, refer Page 27;
- Key Considerations in Developing the Single Overseas Determination, refer Page 33;
- Detailed Proposed Single Overseas Determination, refer Page 39;
- Transition and Implementation Considerations, refer Page 48; and
- Detailed Financial Analysis and Comparisons, refer Page 49.

The end of the report assesses the key requirements of this assignment, and briefly addresses each element.





# Contents

<b>Executive Overview</b>	<b>2</b>
Key Report References	7
<b>Background</b>	<b>10</b>
Scope and Requirement	10
Initial Agreed Guiding / Directing Principles	12
<b>Current AFP Determinations – Summary</b>	<b>14</b>
Determination 1/2001 – Overseas Conditions of Service – International Liaison Officers	14
Determination 2/2002 – Overseas Conditions of Service – Deployments between 1 to 12 months	16
Determination 2/2006 – International Deployment Group – Deployments of less than 6 months	17
Determination 6/2007 – International Deployment Group – Long Term Unaccompanied Deployments to Afghanistan	18
Determination 8/2007 – International Deployment Group Operational Response Group	19
Determination 16/2007 – International Deployment Group – Mission Component Overseas	20
Determination 20/2005 – International Deployment Group – Long Term Capacity Building	21
<b>Benchmarked Agencies</b>	<b>23</b>
Overview	23
Key Findings	23
Specific Elements of Benchmarked Agencies	24
<b>Comparative Analysis of AFP &amp; Other Agencies</b>	<b>27</b>
<b>Key Single Determination Elements &amp; Considerations</b>	<b>33</b>
Overview	33
Single Determination Elements	33
Standard Inclusions (All Postings)	36
Taxation Considerations	37
Posting Types	37
Elements Not Included in the Single Overseas Determination	38
<b>Draft Single Overseas Determination</b>	<b>39</b>
Proposed Determination Framework	39
Drafting the Determination	47
<b>Transition and Implementation Considerations</b>	<b>48</b>
<b>Financial Analysis of Proposed Determination</b>	<b>49</b>
Overview	49
International Program Comparisons	49





IDG Deployment Comparisons	52
Location Specific Comparisons of the Proposed Single Determination	56
<b>Meeting the Single Determination Project Objectives</b>	<b>72</b>
Primary Objectives	72
Additional Objectives	72
<b>Appendices</b>	<b>75</b>

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## Background

The AFP currently has several determinations in place for overseas deployments. Analytics Group has been engaged to assist the AFP with the implementation of a Single Determination to apply to employees deployed overseas under Section 40(h)(2) of the Australian Federal Police Act 1979. Specifically, the Act identifies that:

*DIVISION 5, 40 H(2) : "The Commissioner may from time to time determine in writing the terms and conditions applying to an AFP employee while the employee is performing duties outside Australia."*

The provision of a Single Determination for all overseas deployment will streamline the large number of overseas determinations currently in place and allow for one overseas deployment employment instrument, which will ensure the application of the determination is consistent, and reduces the administration involved in maintaining the current range of determinations.

## Scope and Requirement

The AFP appointed Analytics Group to liaise with key stakeholders; advise on content; and assist the AFP in the design and development of a Single Determination that would apply to AFP members deployed or posted overseas. The Single Determination is to apply to all AFP functions and deployment locations. The desired implementation date of this determination is July 1st, 2013.

The business areas of the AFP primarily impacted by the implementation of a single determination are International Program and the International Deployment Group (IDG). These business areas were key stakeholders in the development, and will be main users of a Single Overseas Determination. AFP Finance, SAP, HR and Legal were also key stakeholders in the development and administration of the single determination.

There are currently a number of determinations under which AFP staff are posted and deployed overseas. These were developed on an as-needs basis, under a number of employment agreements and are not consistent in their conditions or inclusions. Further, these have been largely developed and are maintained and administered by the International and IDG business areas themselves. This creates a lack of consistency and clarity for the AFP.

The AFP's recent Enterprise Agreement specifically scopes out employees deployed under Section 40(h) (2) of the Australian Federal Police Act 1979.

*PART 1,5(1)(c) : "[This Agreement applies to all Employees of the AFP with the exception of Employees who:] are deployed outside Australia under section 40H(1) of the Australian Federal Police Act 1979 and a determination under section 40H(2) of that Act is in place"*

Thus the Single Determination must stand on its own as the terms and conditions of employment while deployed overseas. There are a number of motives driving the AFP in the desire to consolidate overseas deployment conditions into one instrument, these include:

- **Consistency and parity:** of core terms and conditions applicable to deployments of all AFP business areas and also between the AFP and external Government Agencies; including documented, agreed and defensible variations where appropriate.
- **Transparency:** a clear rationale of what is being paid for and why; and mechanism by which to achieve this. This is critical in a funding sense with the Department of Finance and Deregulation (DoFD) looking for justification for costs of overseas postings and applying whole of government benchmarking to New Policy Proposals. The AFP requires assurance that it is likely to receive adequate funding for overseas initiatives.
- **Simplification:** a concise and usable determination that provides all employment terms and conditions for an overseas deployed employee, which is simple for employees and the AFP to use and understand.
- **Rationalisation:** provide an opportunity and context for review of the administration of overseas determinations





- **Flexibility:** an instrument that can be easily updated or amended when the AFP deploys to new regions.

Other considerations included:

- **Suitability:** The determination must provide a framework that supports the business activities of both the International and IDG business areas of the AFP. The determination must provide terms and conditions that meet the needs of AFP members deployed overseas.
- **Affordability:** The instrument cannot be more expensive to the AFP than the existing suite of determinations. To that end, the consultancy must provide robust modelling of the likely cost to the AFP of the proposed instrument, as this will be key to any decision to progress to implementation. The AFP will require summary materials for decision making and for both internal and external communication purposes.
- **Impact on personnel:** Consider the impact on the individual, as this will form part of the decision of the AFP to implement. There may be variations in this impact by country; existing determination and/or level of AFP employee. The AFP must have a single determination that remunerates employees fairly for the varying work they perform in vast geographic locations and conditions. The consultancy must provide the AFP with appropriate materials to communicate with employees and their nominated representatives, including the AFPA and CPSU.
- **Administration and management:** Advise on any opportunity for rationalisation of the administration of the single determination; it must also consider and advise on other corporate implications; such as FBT and taxation implications for the AFP and for the individuals; repatriation to Australia and the circumstances of integration with the AFP's Enterprise Agreement 2012-2016 and the Executive Level Enterprise Agreement 2011-2015 as well as SES agreements. This includes:
  - Considerations of employees of any class increment through pay levels (as defined in the Enterprise Agreements) while deployed overseas.
  - Other repatriation arrangements.
  - Higher Duties Allowance (HDA) while deployed.
  - Leave (all leave types) and treatment of unused leave accrued on deployment.
  - Absences from deployment.
  - Termination of deployment.

The consultancy should provide considerations and flag areas for consideration with regard to the upcoming IDG IFS review.

- **Whole of Government:** In the design and development of the single determination, the consultancy must benchmark the AFP against other Government organisations that deploy members to overseas locations. This will include, but is not limited to: AusAID; the Department of Defence and the Department of Foreign Affairs and Trade. Where the recommended AFP approach varies from that of other Government organisations, the consultancy should document and agree with the AFP a robust evidence-based business case that the AFP can use to explain and justify its position to external stakeholders.
- **Funding:** The consultancy must research and report to AFP the funding implications in the 2012-13 financial year and future years of the proposed single determination; including: financial exposure of any gap between IFS Funding and NPP funding under the single determination; Impact on the AFP's Official Development Assistance (ODA) and reporting to AusAID and Government; implications of DoFD not accepting variations from or excess over whole of government benchmarks.
- **Transitional arrangements:** the consultancy should consider transitional provisions for members deployed overseas as at the implementation date.
- **Main features of the determination:** The AFP anticipate a simplified determination consisting standard core terms and conditions and:
  - Salary level
  - Overseas allowance





- Post specific allowance
- Cost of Living Allowance (COLA); and
- Travel allowance.

## Initial Agreed Guiding / Directing Principles

At the Steering Committee meeting of 3 August 2012, the following key guiding principles were adopted to guide the development of the process:

1. **IDG Determination Consolidation work** - Current IDG work performed in consolidating determinations and removing unnecessary allowances should proceed however implementation to be considered as part of the overall single determination strategy and communication plan.
2. **Base Salary** - link to Enterprise Agreement (EA) as a preferred model, subject to further analysis and review
3. **Policing Broadband** - Increments should continue whilst on deployment, coupled with the requirements for members to retain all appropriate competencies. Gateways to 'hard barriers' to be considered in the same context as A-Based officers where appropriate.
4. **Interaction with EA** - Base the Determination on the principles contained within the relevant sections of the EA, unless something is specifically outlined in the Single Determination
5. **Composites** - Able to be reviewed/changed, subject to analysis, benchmarking and review. Composites may be reconsidered in line with the overseas roles undertaken, but with a focus on the original intent of the composite being in relation to additional working hours and availability (in lieu of overtime). Other allowances should cover the unique and location elements of an overseas deployment.
6. **Entitlements/allowances** - Single Determination needs to be clear when the Determination ceases and a person returns under the terms and conditions of the EA (i.e. resignation, defence leave, maternity leave etc.) The determination will need to be clear on the triggers that revert officers to standard EA T&C's.
7. **Entitlements/allowances** - Preference to vary entitlements and allowances to provide reasonable recompense based on the nature of different roles rather than use the composite. Preference towards using location based allowances. Preference to group up and combine allowances where possible to simplify the administration.
8. **Administration** - In considering the determination outcome, pay particular attention to the administration efficiencies that may be gained from simplifying processes, such as the current travel management process and SAP HR processing.
9. **Implementation** - Grandfathering (being existing members retaining existing entitlements) to be the exception rather than the rule, preference not to grandfather except where there are strong industrial reasons to do so. Agreement that preference is for all deployment extensions and new deployments going forward from 1 Jan 2013 are to be subject to the single Determination (this has been indicated by International, however the legal constraints need to be identified). ER are seeking legal advice with regard to Grandfathering that may impact this decision - referring to the term that conditions may be varied 'from time to time' as in the current determinations. IDG have not guaranteed continuation of current entitlements beyond 30 June 2013.
10. **New Deployments** - All new deployments after 1 July 2013 or extensions of existing deployments will be subject to the new determination conditions.
11. **Steering Committee meetings** - to be held every 3 weeks, with regular updates to members in between meetings.
12. **Stakeholder Engagement** - Engagement of both International and IDG to be undertaken as the first steps of the discovery phase of the project.





## Our Approach

### Overview

Our approach focused heavily on gathering evidence and performing analysis to prepare a robust and defensible set of terms and conditions that meet the needs of the organisation and key stakeholders. In doing this, we prepared concise reporting and provided recommendations that facilitated AFP decision making.

Our approach was underpinned by constant communication with AFP ER and the Single Determination Steering Committee. Our approach was separated into the following key stages:

- 1. Discovery:** Initial meeting with the Steering Committee; setting up the project and project documentation.
- 2. Stakeholder Engagement:** Agreement and finalisation of the Stakeholder Engagement Strategy; initial stakeholder conversations with ER, Finance, IDG, International, SAP Admin; documentation for following stages of the engagement and preparation of summary reporting for Steering Committee.
- 3. Assessment of Existing AFP Determinations:** Re-affirmation of work performed to date and reuse for economies wherever possible; review of IDG and International Determinations; extraction of current data/budget approved data and development of a revised and re base lined costing model appropriate to the review; perform taxation impacts review and update the modelling; gain ER input into modelling.
- 4. External Benchmarking:** Compared the terms and conditions of other government agencies deploying members overseas to that of the AFP. In conjunction with AFP ER, arranged for receipt of Determinations or equivalent instruments from the Department of Foreign Affairs and Trade (DFAT), AusAID, Austrade, Customs and DIAC. Identified similarities and differences and document with AFP ER an understanding of the drivers of these (e.g. policing specific; location specific). Consider whether any terms or conditions paid by other agencies should be considered by the AFP. Identify where AFP was paying allowances or amounts that were not paid by other organisations.
- 5. Comparative Financial Analysis of Conditions:** Benchmarked AFP Determinations against the terms and conditions under which other government organisations deploy their staff. Built on work already performed prior to this engagement; prepared a comparative model by staff level that costs a deployed AFP member under the various AFP determinations in comparison to external benchmarked personnel of a similar level. Prepared a summary of these costs and an explanation of the differences for presentation to the Steering Committee.
- 6. Recap of Progress and Findings to date with ER Team and Prepare for Stakeholder sessions:** Worked with ER to develop discussion points from the Steering Committee that would influence the development of the determination.
- 7. Determined Stakeholder Position on Terms and Conditions:** Discussed findings with all stakeholders on the results of the comparative assessments. Develop a report on stakeholder positions to inform the development of the determination.
- 8. Development of the Determination:** Based on the evidence, research, benchmarking, modelling and stakeholder requirements determined in the preceding stages; assess and determine the salary, allowances and terms and conditions of the determination. Consideration of the needs of all the stakeholders and the interrelationship the determination will have with other AFP employment instruments and the systems supporting a working solution for the AFP both now and into the future. Based on all factors, and building on the work that has been performed by the AFP to date; determined the set of conditions that best satisfy the needs of internal and external stakeholders and constraints presented. Using our own ER expertise, draft the determination in an easy to use format and liaise with AFP legal or external legal experts.
- 9. Stakeholder and Steering Committee Agreement:** Continued engagement with AFP ER on the drafted determination. Update and finalisation of this and preparation for presentation to the Steering Committee.
- 10. Finalisation of the Single Determination:** Refine the draft with reference to feedback of the Steering Committee and in conjunction with AFP ER; AFP Finance and AFP legal. Presentation of a draft determination to the Steering Committee.
- 11. Project Completion:** Finalisation of the Single Determination and gain final acceptance from NMHR. Submission of the final papers to the Rem committee for acceptance.





## Current AFP Determinations – Summary

The AFP currently has the following overseas determinations:

### International Program Determinations:

- 1 of 2001 : Overseas Conditions of Service – International Liaison Officers
- 2 of 2002 : Overseas Conditions of Service – Deployments between 1 to 12 months

### International Deployment Group (IDG) Determinations:

- 20 of 2005 : International Deployment Group – Long Term Capacity Building
- 2 of 2006 : International Deployment Group – Deployments of less than 6 months
- 6 of 2007 : International Deployment Group – Long Term Unaccompanied Deployments to Afghanistan
- 8 of 2007 : International Deployment Group – Operational Response Group
- 16 of 2007 : International Deployment Group – Mission Component Overseas
- 1 of 2009 : International Deployment Group – SES Deployments

Each determination was developed for a specific need or purpose and provides the basis for the primary analysis of the requirement for the Single Determination. Whilst the reasons and substance of each determination is grounded upon relevant matters at the time of inception, the need to consolidate under a consistent set of terms and conditions is now necessary. Further, the level of inconsistency that has emerged from the varying provisions of each determination creates inequity in application across the AFP.

Each determination is summarised as follows:

### Determination 1/2001 – Overseas Conditions of Service – International Liaison Officers

#### Summary of Purpose and Application

This Determination states conditions applying in the working environments of AFP members undertaking international liaison officer and intelligence officer duties. This determination generally applies to all members within the AFP International Network.

#### Major Elements of Determination

An overseas loading of 40% of the member's base salary is payable, plus an additional 4% per dependant.

A clear distinction is made between the salary scale and composites applicable to Liaison Officers and Overseas Intelligence Officers. A composite of 30% is payable to International Network appointees at a Band 8 level and below, excluding Overseas Intelligence Officers who receive a 22% composite. Band 9 and SES officers receive a 0% composite. It is understood that there are only a few intelligence officers on overseas deployments.

A hardship allowance is payable as a percentage of salary, based on the Employment Conditions Abroad (ECA) hardship ratings, but increased to effectively 'en-cash' additional benefits previously paid under separate allowances, and not otherwise provided by the AFP. It is not clearly documented within the determination what additional benefits are covered by the increased ECA loading however this was a process undertaken for the development of the current determination.

Another factor to consider is that benchmark agencies pay ECA based allowances on a 'net cash' basis, which involves a grossing up of this payment to account for the tax payable. There is no such grossing up in this determination.





A Cost of Living Allowance (COLA) is payable at locations identified as presenting a higher cost of living to that of normal domestic locations. Presently only employees deployed to the Cook Islands, Dhaka, Hong Kong, Kiribati, Lyon, New York, PNG, Singapore, the Solomon Islands, the Hague and Vanuatu receive a COLA payment due to the identified high relative Australian dollar and comparative cost of living expenses domestically.

Transfer out payment and repatriation allowances are payable as a percentage of salary, with additional amounts payable per dependant. Transfer out payments amount to 8% of base salary, with an additional 2% per deployed dependant. Repatriation is calculated as 4% of base salary, with an additional 1% per deployed dependant.

Reunion fares are provided for reunion of family members not residing with the posted officer, with provisions similar to the DFAT model (upon which many overseas allowances of Government Agencies are originally based), where differing family circumstances and locations result in a different number of reunion fares available to the member. Up to 4 reunion fares for either the member or the dependant(s) are provided, depending on the circumstances, and in the case of reuniting minors, may also include a travelling escort.

Education assistance is provided to dependent children who ordinarily form part of the employee's household and who are undertaking primary or secondary education, to a maximum of 30% of the base salary applicable to the top increment of a team member, either at an overseas school or at a school in Australia.

The determination includes provisions for the removal of an employee's personal effects to the overseas location based on a cubic metre allowance system subject to quarantine and Customs regulation, and consistent with DFAT and other benchmark agencies. In addition, the determination provides for the storage of an employee's personal effects not removed to the overseas office. The AFP also provides insurance on goods either removed or in storage up to the value of \$80,000, with an additional premium payable by the employee.

Health care provisions outlined in the determination are based on the DFAT model providing for a range of health care benefits whilst on an overseas deployment including the reimbursement of medical, hospital, and ancillary health costs, pharmaceutical products and ambulance costs.

Compassionate travel provisions also closely mirror those provided by DFAT, outlining different travel entitlements available to employees where direct relatives suffer serious misadventure, illness or death.

### Strengths of the Determination

This is a relatively simple determination and has been in place for several years without material modification. The determination is generally comparable in overall terms to benchmarked agencies and has the benefit of being a long standing determination that has been managed within the AFP for a considerable period, in its current formation for in excess of 10 years.

A number of allowances are bundled into the 40% 'overseas loading', with additional location based factors determined by the ECA adding additional compensation where appropriate. An additional composite is payable in recognition of additional flexibility and potential workload encountered on the overseas deployment. There is an ability to distinguish between Liaison and Overseas Intelligence Officers through different composite payments based on pre-identified expectations at post.

### Exclusions and Deficiencies of the Determination

Overseas loading, transfer out, repatriation, composites, location allowance and COLA are all calculated as a percentage of the member's salary, without a cap, with additional amounts payable in respect of dependants. This can result in potential inequities and significant cost increases as salaries increase, which are not necessarily in line with the increased cost / imposition of the posted member.

All deployed employees receive a composite, no matter what the working hour expectations are at a particular post. This allows for no ability to distinguish between different requirements from post to post.

The superannuation salary includes the base (22%) composite component which can create lag costs beyond the deployment period as super salaries by definition do not decrease even if the employee's salary may do so. This cost is difficult to quantify however remains a price risk of the current determination.





There is no differentiation between taxed and non-taxed locations leading to a potentially significant variation between employees deployed to taxed and non-taxed locations if applied to this determination.

There are administrative costs of maintaining this determination for AFP members, with a number of different allowances payable, some upon reimbursement, some as a % of salary and some as a fixed payment component. Managed of the qualification criteria for some allowances is also an administrative process. The relatively high incidence of reimbursed items against some complex evaluation criteria increases administrative workload and cost, and does not clearly articulate to members the full cost / value of the entitlements. This can also lead to inconsistency in application.

## Determination 2/2002– Overseas Conditions of Service – Deployments between 1 to 12 months

### Summary of Purpose and Application

This Determination was developed to account for the unique and flexible working environment of AFP employees assigned to international duties for a period between one and twelve months.

As this Determination only addresses short term deployments, there are no provisions for accompanied deployments.

### Major Elements of Determination

A composite of 37% of base salary payable to employees receiving salary for a Band 8 officers and below in recognition of the change and flexible working requirements of overseas assignments, predicated on the employee working 200 hours over a 4-week period, with additional hours to be taken as flexible time at the first available opportunity at the completion of the overseas assignment.

An overseas loading of 40% of an employee's base salary is paid for the duration of the service to offset additional costs encountered in the host country.

A Cost of Living Allowance (COLA) is payable at locations identified as presenting a higher cost of living to that of normal domestic locations. Presently only employees deployed to the Cook Islands, Dhaka, Hong Kong, Kiribati, Lyon, New York, PNG, Singapore, the Solomon Islands, the Hague and Vanuatu receive a COLA payment due to the generally high relative Australian dollar and comparative cost of living expenses domestically.

Transfer out payment and repatriation allowance is payable as a percentage of salary. Transfer out payments amount to 4% of base salary.

### Strengths of the Determination

This is a relatively simple determination, with most allowances bundled into the 40% 'overseas loading', with additional location based factors determined by the ECA adding additional compensation where appropriate.

An additional composite is payable in recognition of the flexible working hours required while overseas.

Availability of flexible time where hours worked while on overseas assignment are far in excess of the expectations compensated for by the composite.

### Exclusions and Deficiencies of the Determination

The scope of this determination is relatively limited given it only covers deployments of less than 12 months and as such is not required to cover additional considerations regarding accompanied deployments and associated allowances and benefits provided in respect of family members, removal of personal items, leave fares, reunion fares and other factors that come into play for longer deployments.





Overseas loading, transfer out and composites are all calculated as a percentage of the member's salary, with additional amounts payable in respect of dependants. This can result in potential inequities and significant cost increases as salaries increase.

All deployed employees receive a composite, no matter what the working hour expectations are at a particular post. This allows for no ability to distinguish between different requirements from post to post.

No differentiation between taxed and non-taxed locations leading to a potentially significant variation between employees deployed to taxed and non-taxed locations.

## Determination 2/2006– International Deployment Group – Deployments of less than 6 months

### Summary of Purpose and Application

This Determination applies to employees directed to undertake duties connected with International Deployment Group overseas for periods from one day to six months.

The reason for such a deployment may be that the person possesses certain specialist skills that will be utilised for a relatively short period of time, to backfill behind another member who has returned to Australia for any number of reasons, or to deploy to a Mission Component role for a short period of time.

Due to the nature and duration of these deployments, there are no provisions for accompanied deployments in this determination.

### Major Elements of Determination

A composite of 65% of base salary is payable to IDG appointees, paid only during periods of deployment and not during periods of leave related to the deployment. This composite is inclusive of any composite that would otherwise apply to the employee when employed in Australia and expressly replaces entitlements to all other allowances paid in the nature of salary.

The determination provides for additional individual allowances including:

- Mission Allowance (\$/day based on military rating of location)
- Communication Allowance (\$40/fortnight)
- Field Accommodation Allowance (\$36.45/day)
- Transfer allowance where deployment is greater than 28 days (\$775)

### Strengths of the Determination

All allowances other than the overseas loading and composite are calculated based on fixed \$ amounts rather than being based on the appointee's salary meaning that subsequent increases in salaries do not necessarily mean an increase in allowances. However the main allowance considerations are covered in the composite and overseas loading elements.

### Exclusions and Deficiencies of the Determination

The overseas loading is calculated as a percentage of the member's salary, with additional amounts payable in respect of dependants. This can result in potential inequities and significant cost increases as salaries increase.

The wide range of allowances payable increases administration of the determination and renders it relatively complex, especially given the Determination relates only to short term deployments.





There is little differentiation between different locations, with all deployees under this determination receiving the same compensation, other than the mission allowance component, regardless of the type of work performed or the location of the deployment.

## Determination 6/2007 – International Deployment Group – Long Term Unaccompanied Deployments to Afghanistan

### Summary of Purpose and Application

Details the conditions and remuneration for AFP members on long term unaccompanied deployments to Afghanistan, which operates on a fly-in, fly-out basis.

### Major Elements of Determination

As this Determination is designed purely for unaccompanied deployments to Afghanistan, it can be necessarily simpler by applying entitlements specific to conditions particular to a single location.

A composite of 65% of base salary is payable to officers, with a requirement to work flexible shifts and be on call to work 24 hours, 7 days per week.

Leave accrues at 4 weeks for each 8 weeks deployed, with additional wellbeing recreation leave available at the end of mission accruing at a rate of 0.625 days per 1 day deployed. The general expectation is that Appointees are required to take leave in blocks of 4 weeks following each 8 week deployment, depending on mission-specific operational requirements however it is noted that this is often not practical from an operational perspective.

Travel to and from the posting in Afghanistan provided by the AFP, with an allowance of \$1,200/fortnight payable to members in lieu of any other leave fare/travel entitlements.

Extended Unaccompanied Overseas Service Allowance (EUOSA) is payable as a lump sum at the end of the Appointee's last deployment rotation in Afghanistan. Based on the number of weeks deployed overseas (excluding leave) and calculated at the rate of \$450/week.

The determination provides for additional individual allowances including:

- Mission Allowance (\$/day based on military rating of location)
- Notice to move (\$100/week)
- Communication (\$40/fortnight)
- Incidentals (\$17.30/day)
- Transfer out (\$775)

### Strengths of the Determination

All allowances other than the overseas loading and composites are calculated based on fixed \$ amounts rather than being based on the employee's salary meaning that subsequent increases in salaries do not necessarily result in an increase in allowances.

Encashment of leave fare benefit eases administrative burden at post and provides flexibility to the deployed employee in respect of the allowance provided. This payment is necessary given the 'fly in, fly out' nature of the deployment, where the member does not have the ability to take leave fares outside of operational requirements.

Transfer allowances are fixed and not calculated as a percentage of base salary, limiting the AFPs exposure in respect of these costs and also promoting a level of equity in respect of this allowance across different salary ranges.





## Exclusions and Deficiencies of the Determination

This is a relatively complex determination, with a range of different allowances payable despite all members under this determination being deployed under the same conditions and receiving the same benefits. As all employees deployed under this determination are eligible to receive the same benefits, it may have been administratively and conceptually simpler to have bundled these benefits under one allowance.

The leave calculations are substantial and significantly increase the cost to the AFP for a deployment cycle. Although the compensation is generous, and would be expected to be for the conditions, it is not necessarily directed at recompensing for the right elements or reasons.

## Determination 8/2007 – International Deployment Group Operational Response Group

### Summary of Purpose and Application

This Determination applies to employees assigned to perform Operational Response Group (now Special Response Group) duties whilst overseas. Consistent with all overseas determinations, this determination excludes any workplace agreement applicable to an employee or group of employees at any time whilst assigned duties overseas.

### Major Elements of Determination

A composite of 80% of base salary is payable to eligible SRG employees with a requirement to work flexible shifts and be on call to work 24 hours, 7 days per week. This composite replaces entitlements to all other allowances paid in the nature of salary, on call allowance, recall to duty entitlements, restricted duty allowance, public holidays, overtime premiums, nightshift premiums, penalty payments for excess hours and motor vehicle allowance for Coordinators. SRG employees are expressly required to work significant additional hours and are regularly on close-call. The composite recognises that there is a significant restriction of personal freedoms for employees because of this.

An additional SRG Overseas Allowance payable at \$1,500 per 28 calendar days recognising that ORG employees may be exposed to personal risk and extreme hardship conditions while performing ORG duties due to the inherent dangers and risks associated with performing duties in overseas jurisdictions. This allowance also acknowledges the disruption to personal and family lives arising from uncertainty as to the length or location of overseas deployments.

SRG leave accrues at the rate of 1 week of leave (7 days) for every 4 weeks overseas deployment (28 days). One week of leave is to be remunerated as 40 hours of salary, inclusive of the relevant composite. This leave cannot be granted in advance of accrual and must be exhausted before utilising relevant leave accruals under the Enterprise Agreement (or ELEA) upon return to Australia.

Provides for additional individual allowances including:

- Mission Allowance (\$/day based on military rating of location)
- Transfer out (\$775)
- Communication (\$40/fortnight)
- Field Accommodation Allowance (\$36.45/day)

### Strengths of the Determination

All allowances other than the overseas loading and the composite are calculated based on fixed amounts rather than being based on the appointee's salary meaning that subsequent increases in salaries do not necessarily mean an increase in allowances.





Compensation for a vast range of job and role specific conditions are rolled into the SRG Overseas Allowance and the 80% composite, providing a degree of simplicity whilst also acknowledging the additional factors faced by ORG employees.

### Exclusions and Deficiencies of the Determination

Composite and SRG Overseas Allowance paid on an all-in basis, consequently all employees are paid the same amount regardless of the actual conditions faced. This is partially offset by the Mission Allowance, although it may be arguable that there is some overlap in purpose between the Mission Allowance and the SRG Overseas Allowance. Given the composite is 80% of base salary the AFP is particularly exposed at higher salary levels.

Although unable to be confirmed, it was identified that the increased composite for ORG/SRG deployments was to compensate for the likelihood of shorter term deployments (under 90 days) which would then preclude tax exempt status. It is however generally the case that deployments do exceed the 90 days and are therefore tax exempt for those locations / postings where tax is not payable.

Payments to SRG employees appear generous in that there is an increased composite payment (80%) and the additional SRG allowance of \$1,500 per month, which is equivalent to (or in lieu of) the EUOSA payment applicable to other IDG determinations.

Due to the nature of the determination, it only covers SRG employees performing SRG duties, as there is no flexibility within any other determinations to provide the necessary allowance provided under this determination.

## Determination 16/2007 – International Deployment Group – Mission Component Overseas

### Summary of Purpose and Application

This Determination was developed to account for the unique and flexible working environment of AFP appointees (excluding SES) overseas as part of the Mission Component, International Deployment Group. This Determination excludes any workplace agreement applicable to an employee or group of employees at any time whilst assigned duties overseas.

### Major Elements of Determination

A composite of 65% of base salary is payable to eligible employees with a requirement to work flexible shifts and be on call to work 24 hours, 7 days per week. Employees receiving this composite may be required to work in excess of 40 hours per week due to operational necessity, with no other payment for hours to be made and provisions under any other workplace agreement being non-applicable.

Extended Unaccompanied Overseas Service Allowance (EUOSA), payable as a lump sum at the end of the member's last deployment rotation. Based on the number of weeks deployed overseas (excluding leave) and calculated at the rate of \$375/week.

Mission Component leave accrues at the rate of 1 week of leave (7 days) for every 4 weeks overseas deployment (28 days). One week of leave is to be remunerated as 40 hours of salary, inclusive of the relevant composite. This leave cannot be granted in advance of accrual and must be exhausted before utilising relevant leave accruals under the Enterprise Agreement upon return to Australia.

Provides for additional individual allowances including:

- Mission Allowance (\$/day based on military rating of location)
- Notice to move (\$100/week)
- Communication (\$40/fortnight)
- Transfer out (\$775)





### Strengths of the Determination

All allowances other than the overseas loading and composite are calculated based on fixed amounts rather than being based on the appointee's salary meaning that subsequent increases in salaries do not necessarily mean an increase in allowances.

Limited range of additional individual allowances allows the determination to be relatively simple.

Availability of the daily mission allowance provides additional recognition of hardship faced at a particular post.

### Exclusions and Deficiencies of the Determination

Little differentiation exists between different locations, all members under this Determination receive the same remuneration, other than the mission allowance component, regardless of the type of work performed or the location of the deployment. Other determinations that apply COLA and ECA based payments generally account for this. This determination also only considers an unaccompanied deployment and does not account for any uplift or dependant support.

## Determination 20/2005– International Deployment Group – Long Term Capacity Building

### Summary of Purpose and Application

This Determination applies to AFP employees directed to undertake duties overseas as a part of an International Deployment Group deployment for a period of more than 12 months, or a lesser period specifically determined by the Commissioner, with a maximum deployment duration of 2 years.

### Major Elements of Determination

A Composite Overseas Loading is paid for the duration of the posting of 65% of the employee's base salary plus 4% for each approved accompanying dependant.

Transfer out payment and repatriation allowance is payable as a percentage of salary, with additional amounts payable per dependant. Transfer out payments amount to 8% of base salary, with an additional 2% per deployed dependant. Repatriation is calculated as 4% of base salary, with an additional 1% per deployed dependant.

Education assistance is provided to approved child dependants who ordinarily form part of the employee's household and who are undertaking primary or secondary education, to a maximum of \$10,000 per child, either at an overseas school or at a school in Australia.

A location based hardship allowance payable as a percentage of salary, based on ECA hardship ratings but increased to effectively en-cash additional hardship benefits not otherwise provided by the AFP. It is not clearly documented within the determination what additional benefits are covered by the increased ECA loading as this is taken directly from the International Determination. Another factor to consider is that benchmark agencies pay ECA based allowances on a 'net cash' basis, which involves a grossing up of this payment to account for the tax payable. There is no such grossing up in this determination however in the case of almost all Determination 20 deployments they are generally to tax exempt locations. This may present an unnecessary uplift if for this reason alone.

A Cost of Living Allowance (COLA) is payable at locations identified as presenting a higher cost of living to that of normal domestic locations. Presently only employees deployed to the Cook Islands, Dhaka, Hong Kong, Kiribati, Lyon, New York, PNG, Singapore, the Solomon Islands, the Hague and Vanuatu receive a COLA payment due to the generally high relative Australian dollar and comparative cost of living expenses domestically.

Leave fares are provided for an employee and accompanying dependants. For accompanied deployments less than 1 year, 1 leave fare is provided and for unaccompanied deployments, 2 leave fares are provided. For deployments greater than 1 year, \$20,000 payment per annum is made to an employee on a fortnightly basis.





The determination includes provisions for the removal of an employee's personal effects to the overseas location based on a cubic metre allowance system subject to quarantine and Customs regulation. In addition, the determination provides for the storage of an employee's personal effects not removed to the overseas office. The AFP also provides insurance on goods either removed or in storage up to the value of \$80,000, with an additional premiums payable by the employee. This is taken directly from the international overseas determination.

Health care provisions outlined in the determination are based on the DFAT model providing for a range of health care benefits whilst on an overseas deployment including the reimbursement of medical, hospital, and ancillary health costs, pharmaceutical products and ambulance costs.

Compassionate travel provisions also closely mirror those provided by DFAT.

### Strengths of the Determination

This is a relatively simple determination, which was largely based on determination 1/2001 (International Deployments) with some additional allowances. As such, this determination is also generally comparable in overall terms to benchmarked agencies and has the benefit of being a long standing determination that has been managed within the AFP for a considerable period, in its current formation for in excess of 10 years.

A number of allowances are bundled into the 65% 'overseas loading', with additional location based factors determined by the ECA adding additional compensation in respect of the location-based allowance.

An additional composite is payable in recognition of additional flexibility and potential workload encountered on the overseas deployment.

There is an ability to distinguish between Liaison and Overseas Intelligence Officers and compensate accordingly based on expectations at post.

### Exclusions and Deficiencies of the Determination

Overseas loading, transfer out, repatriation, composites and location allowance are all calculated as a percentage of the member's salary, without a cap, with additional amounts payable in respect of dependants. This can result in potential inequities and significant cost increases as salaries increase, which are not necessarily in line with the increased cost / imposition of the posted member.

All deployed employees receive a composite, no matter what the working hour expectations are at a particular post. This allows for no ability to distinguish between different requirements from post to post.

There is no differentiation between taxed and non-taxed locations leading to a potentially significant variation between employees deployed to taxed and non-taxed locations if applied to this determination.

There are administrative costs of maintaining this determination for AFP members, with a number of different allowances payable, some upon reimbursement, some as a % of salary and some as a fixed payment component. The relatively high incidence of reimbursed items against some complex evaluation criteria increases administrative workload and cost, and does not clearly articulate to members the full cost / value of the entitlements. This can also lead to inconsistency in application.





## Benchmarked Agencies

### Overview

The AFP approached on behalf of Analytics Group Pty Ltd the following agencies to participate in the benchmarking process. All agencies with the exception of Department of Defence responded:

- Department of Foreign Affairs and Trade (DFAT);
- AusAID;
- AusTrade;
- Department of Immigration and Citizenship;
- Customs; and
- Department of Defence.

### Key Findings

The DFAT position was the starting position for all of the benchmarked agencies, with many of their overseas working agreements based on or benchmarked to the conditions provided by DFAT. The following table outlines the key elements of each benchmarked agency overseas provisions. Detailed explanations follow for each agency. Customs are not included due to the low numbers of deployed staff and in general – their approach of adopting DFAT / AusAID provisions, depending on the deployed location.

Provision	DFAT	AusAID	Austrade	DIAC
Number Deployed Staff (Av.)	2,500	740	617	128
Flexibility Payment	No	No	No	No
Overseas Allowance	32% - 48%*	32% - 48%*	60%*	40% - 60%*
Location Allowance	ECA up to 60%*	ECA up to 60%*	ECA up to 60%*	ECA up to 60%*
COLA	ECA up to 15%*	ECA up to 15%*	ECA up to 15%*	ECA up to 15%*
Hardship Payments	Yes	Yes	Yes	Yes
Special Location Payment	Yes	Yes	No	Yes
Transfer Allowance	\$4,127-\$6,192	\$6,711-\$10,068	\$2,500-\$5,000	\$2,533-\$2,944
Settling In / Out	Reimbursement	Reimbursement	Reimbursement	Reimbursement
Accompanied	Yes if >12 Mths	Yes if >12 Mths	Yes if >12 Mths	Yes if >12 Mths
Leave Fares	Yes, Economy	Yes, Economy	Yes, Economy	Yes, Economy
Regional Leave Fare	Up to 2 at post	Up to 2 at post	No	Up to 2 at post
Reunion Fares	Yes, Economy	Yes, Economy	Yes, Economy	Yes, Economy
Typical Posting Length	3 + 1 Years	3 Years	3 - 4 Years	2 - 3 Years

\* Payments are expressed in 'net terms', and are therefore grossed up to account for the PAYG tax payable by the deployed officer. For presentation circumstances, a 'grossed up' equivalent value has been shown in the above table.

+ COLA is regarded not taxed as income, rather are subject to FBT payable by the agency.





## Specific Elements of Benchmarked Agencies

### Department of Foreign Affairs and Trade (DFAT)

DFAT manages 95 overseas posts in 77 countries, and through a whole-of government approach to foreign and trade policy, provides leadership at overseas missions and coordinates the overseas diplomatic network. As at 31 October 2011, DFAT had a total of 4,154 staff, of whom 2,493 were Australian employees and 1,661 were locally engaged staff employed at DFAT's overseas posts. Of the 2,493 Australian employees, 24% (599) were posted overseas.

Key elements of the DFAT determination include:

#### Posting Duration

- 3 years with the option of an additional year

#### Overseas Loading

- Cost of Posting Allowance (COPA) of 16% (unaccompanied) and 24% (accompanied), paid net (i.e. grossed up for additional PAYG obligations)

#### Allowances

- Location-based COLA paid based on ECA ratings (0-30%)
- Hardship allowance based on hardship rating determined by ECA, % of average deployed salary plus fixed amount per child
- Facility for a 'Special Location supplement' – Baghdad, Kabul, Kandahar, Islamabad, Abuja, up to approximately \$90,000 per year
- Additional Location-based Annual Leave based on ECA ratings, C = 8 days, D = 9 days, E&F = 10 days
- Transfer allowance - \$4,127 (unaccompanied) and \$6,192 (accompanied)
- Settling in/Settling out – on reimbursement

#### Accompanied

- Generally only if posting is greater than 12 months and the conditions are suitable for accompanied postings
- Additional costs (education, leave fares etc paid by DFAT)

#### Assisted travel

- Leave Fares not purchased by the member, must come back to Australia, with at least 50% of the time out of mission being spent in Australia
- Additional 'regional' leave fares available depending on the ECA rating of the location
- Reunion fares available, up to 4 flights per child per year
- Rest days associated with travel to a posting depending on location and duration of travel

#### Class of travel

- Business class travel to and from deployment for employees and family. Economy for leave, regional and reunion fares

### Austrade

Austrade is the Australian Government's international trade, investment and education promotion agency. As of 30 June 2011, Austrade operated in 102 locations in 55 countries. This included delivering consular, passport and other government services in thirteen consulates-general and three honorary consulates. Locally engaged staff represent 88 per cent of Austrade's staff resources overseas and approximately half of Austrade's total staff numbers. In delivering its core functions, Austrade works closely with the Department of Foreign Affairs and Trade (DFAT) and other relevant Commonwealth and state government agencies, both in Australia and overseas.

Key elements of their determination include:





### Posting Duration

- 4 and 3 year postings depending on location

### Overseas loading

- 30% overseas 'expatriate adjustment', delivered as a net amount paid as an incentive for overseas service for both accompanied and unaccompanied postings

### Allowances

- Location-based COLA paid based on ECA ratings (0-30%)
- Hardship allowance based on hardship rating determined by ECA, % of employee's gross salary
- Transfer allowance - \$2,500 (unaccompanied) and \$5,000 (accompanied)
- Settling in/Settling out - on reimbursement

### Accompanied

- No additional allowances paid in respect of postees with dependants
- Additional costs (education, leave fares etc paid by Austrade)

### Leave Fares

- Travel to the value of one return economy class fare from the overseas office to their Australian home base per year for employee and dependants
- Travel does not have to be used to go back to Australia and is forfeited if not used and cannot be 'cashed out'

### Class of travel

- Business class travel to and from deployment for employees and family. Economy for leave, regional and reunion fares

## Department of Immigration and Citizenship (DIAC)

DIAC manages the permanent and temporary entry of people to Australia, and the settlement of migrants and refugees. DIAC operates in a complex environment where countries compete internationally to attract highly skilled workers, students and tourists and there are increased security risks around the flow of people across borders. As at August 2011, 128 DIAC staff were posted to 60 overseas location, with DIAC's presence being determined by factors such as workload demands, volumes and risks, the geographical spread of clients, the need to provide reasonable access to services for clients and budget considerations.

Key elements of their determination include:

### Posting Duration

- 2-3 year postings depending on location

### Overseas Loading

- Cost of Posting Allowance (COPA) composite of 20% (unaccompanied) and 30% (accompanied)

### Allowances

- Location based COLA paid based on ECA ratings, delivered as a net amount (0-30%)
- Hardship allowance based on hardship rating determined by ECA, % of average deployed salary plus fixed amount per child
- Transfer allowance - \$2,533 (unaccompanied) and \$2,944 (accompanied)
- Settling in/Settling out - on reimbursement
- Facility for hardship attraction allowance, Tehran or Port Moresby - \$5,000 net
- Additional Location-based Annual Leave based on ECA ratings, C - 8 days, D - 9 days, E&F - 10 days
- Refugee Camp Hardship Allowance - designated refugee camp, as recognised by UN or designated by the Secretary. 32% of minimum APS6 salary specified in DIAC enterprise agreement, grossed up and paid net.



Accompanied

- Generally only if posting is greater than 12 months and the conditions are suitable for accompanied postings
- Additional costs (education, leave fares etc paid by DFAT)

Leave Fares

- Not purchased by the member, must come back to Australia, with at least 50% of the time out of mission being spent in Australia
- Additional 'regional' leave fares available depending on the ECA rating of the location

Class of travel

- Business class travel to and from deployment for employees and family. Economy for leave, regional and reunion fares

AusAID

As the lead agency responsible for Australia's overseas aid program, AusAID has a direct role in Australia's overseas representation. As at 30 June 2011, AusAID had the fourth largest overseas representation of any Australian Government agency, with 740 of its 1775 staff posted overseas. The aid program is delivered in 84 countries around the world with AusAID officers posted in 40 countries. Australia's aid program focuses on the Asia Pacific region.

With the Government committed to increasing the aid program to 0.5 per cent of Australia's gross national income by 2015-16, AusAID has increased the number of officers it has posted overseas and increased seniority of its representation in several posts

Posting Duration

- 2-3 year postings depending on location

Overseas Loading

- COPA payable of 16% (unaccompanied) and 24% (accompanied) of gross salary, paid net

Allowances

- Location based COLA paid based on ECA ratings, delivered as a net amount (0-30%)
- Hardship allowance based on hardship rating determined by ECA, % of average deployed salary plus fixed amount per child
- Facility for a 'Special Location supplement' - Baghdad, Kabul, Kandahar, Islamabad, Abuja, up to approximately \$90,000 per year
- Additional Location-based Annual Leave based on ECA ratings, C - 8 days, D - 9 days, E&F - 10 days
- Transfer allowance - \$6,711 (unaccompanied) and \$10,068 (accompanied)
- Settling in/Settling out - on reimbursement

Accompanied

- Generally only if posting is greater than 12 months and the conditions are suitable for accompanied postings
- Additional costs (education, leave fares etc paid by AusAID up to predetermined benchmarks)

Leave Fares

- Not purchased by the member, no cash out option, with travel to any location up to the value of a return trip to Australia
- Additional 'regional' leave fares available depending on the ECA rating of the location

Class of travel

- Business class travel to and from deployment for employees and family. Economy for leave, regional and reunion fares





## Comparative Analysis of AFP & Other Agencies

A comparative analysis of the AFP Determinations, compared with benchmark agencies is summarised on the tables on the following pages, separated by an unaccompanied and an accompanied (spouse and 2 dependants) examples. The approach taken in respect of comparison is to not focus on any possible Australian-based / Enterprise Agreement differences or elements not specifically covered by benchmark agencies and to a large extent the composite / flexibility element overlaps this exclusion. The unique operating environment of a 'sworn police force' predicates that there is unlikely to be a like-for-like comparison at the 'base salary' level with a variety of differentiating considerations. Our comparative focus is therefore centred on the additional allowances payable for being deployed overseas.

In summary the key similarities and differences are highlighted as follows:

### Flexibility / Composite Payments

Only AFP provide for additional payments for working in excess of or outside normal work hour expectations, or additional workload expectations. With respect to the AFP, these payments are either in line with existing Domestic Based employment agreements (ie. Working Pattern Composite Payments) or are additional supplementation related to a range of other factors compensated for differently by other agencies. Although not a direct base salary consideration, the close connection to that of existing AFP employment agreements makes a direct comparison to benchmark agencies difficult.

Exceptions to this general observation are provisions for benchmark agencies, under special circumstances, to pay an additional one off allowance or payment of overtime in exceptional cases (eg major consular requirement). These provisions, from the information received, are generally used very much on an exception basis and are not considered part of normal compensation for overseas deployed officers.

For the purposes of comparison, we have adopted a principle of applying a 'base' composite level to the flexibility element for IDG determinations which 'roll up' overseas payments in an overall composite payment.

### Overseas / Cost of Posting Allowances (COPA)

This compensation is covered by all benchmarked agencies, as well as the AFP. The application and approach however varies. In the case of AFP determinations, this is generally covered by a 40% Overseas Allowance under the International Determination, or through additional composite payment under the IDG determinations which totals 65% including flexibility / composite elements. ORG / SRG deployed officers receive a further increased composite at 80%. This is a total payment and is not discounted or grossed up to account for taxation of the individual. IDG SES agreements do not compensate for an equivalent COPA payment.

DFAT and AusAID pay 20% COPA allowance, which is deducted for unaccompanied officers and supplemented for accompanied deployments. In effect this results in a 16% payment for unaccompanied officers and 24% for accompanied officers. These payments are then 'grossed up' to account for the taxation that would be payable for the officer, effectively doubling the allowance, which is generally consistent with AFP provisions in a taxed environment.

DIAC pay a 20% net payment to unaccompanied officers and 30% to accompanied deployments. These are non-taxed payments and therefore DIAC is then accountable for FBT on this payment, effectively doubling the cost to DIAC and doubling the benefit to the employee in taxed locations.

Austrade pay 30% to deployed officers regardless of accompanied status. This payment, similar to DFAT and AusAID, is then grossed up to provide a net benefit after tax of 30% to the officer. The grossing up effectively removes the FBT liability, and would be considered only slightly cheaper in some cases but is administratively efficient to manage.

In summary, there is not a wide material variation in the benefit received by officers under this component in taxed locations, however in the case of AFP with the percentage increased to account for taxation gross up, resulting in a duplicated benefit by comparison for tax exempt deployments. IDG SES deployments receive no compensation for cost of posting or general overseas allowance payments.





### Location / Hardship Allowance

Det 1/2001 (International) and Det 20/2005 (IDG) both have coverage for an equivalent Location Based Allowance. This allowance is based on the Employment Conditions Abroad (ECA) calculation which is relied on by other agencies, but as identified earlier, the base ECA percentages are escalated. This was to include other allowances in the development of the current International Deployment Determination. The payment varies on the location from 0% to 50% within the AFP determinations. Determination 20/2005 also pays (in addition to ECA) a communication allowance of \$40 per fortnight and a EUOSA payment equivalent of up to \$15,000 per annum for unaccompanied officers.

The other AFP IDG determinations (6/2007 – Afghanistan, 8/2007 – ORG/SRG, 16/2007 – Mission Component Unaccompanied Deployments) directly compensate specific allowances as follows:

- Notice to Move Allowance of \$100 per week
- Communications Allowance \$40 per fortnight
- Incidentals Allowance (Det 6/2007 and Det 8/2007 only) \$17.30 per day
- Extended Overseas Unaccompanied Allowance (EUOSA) \$375 - \$450 per week (excl Det 8/2007)
- ORG / SRG Specific Allowance for Det 8/2007 in lieu of EUOSA \$1,500 every 28 days deployed.
- Daily Mission Allowance of up to \$41 per day depending on location.

The IDG SES Agreement pays an incidentals payment of \$20 per day. They also receive the daily mission allowance, when applicable to their location. No other allowance is paid in respect to location supplement.

Both DFAT and AusAID pay ECA at the base rate (0% to 30%) however this is grossed up to cover the employee tax obligation, effectively doubling the benefit. These payments are capped at an average salary equivalent which presently limits any location payment to \$25,511 per annum for unaccompanied officers and \$38,267 for accompanied officers. Both agencies apply on 80% of this equivalent payment for unaccompanied deployments and 120% for accompanied deployments. DIAC follow the same provisions as for DFAT and AusAID except maintain slightly lower cap level at \$19,680 for unaccompanied officers and \$29,520 for accompanied officers.

Austrade pay at ECA at the base rate (0% to 30%) however this is grossed up to cover the employee tax obligation, effectively doubling the benefit. There is no separate consideration for accompanied / unaccompanied status. Austrade also cap the benefit at \$30,000.

As identified above, there is a large discrepancy between benchmark agencies and AFP in the way these payments are calculated, but not a large discrepancy in the actual payment amount for taxed locations. The application with the AFP determinations gives rise to a substantial benefit for tax exempt deployments and in the case of unaccompanied IDG determination 20/2005 officers, considerable other benefits in addition to ECA based payments.

### Cost of Living Allowance (COLA)

International Determination 1/2001 pays COLA on the same terms as all benchmark agencies, however as identified above, this payment only applies where the cost of living overseas is considered greater than those experienced in Australia. At present only a few countries where AFP are posted attract a COLA payment. The IDG SES Agreement pays an additional meal allowance of \$340 per week regardless of location. All other AFP overseas determinations do not account specifically for COLA, though it could be argued that the allowances identified above under the location payments may provide some financial respite in this regard.

### Accommodation

All agencies, including AFP, provide accommodation for their deployed officers. Depending on the terms and conditions there is no direct consideration or compensation provided for situations where accommodation quality which is lower than a base acceptable standard, with the exception of IDG unaccompanied determinations 6/2007 (Afghanistan), 8/2007 (ORG/SRG) and 16/2007 which have provision for a camping / field allowance of \$36.45 per day. It is understood that this payment is only provided in extreme circumstances.





### Transfer to Post / Return from Post

Transfer out costs for AFP determinations range from a base \$775 payment for the unaccompanied IDG determinations of 6/2007 (Afghanistan), 8/2007 (ORG/SRG) and 16/2007 (Mission Component). Determination 20/2005 (IDG), 1/2001 (International) and IDG SES determinations all provide for a payment equivalent to 8% of the base salary plus 2% for each accompanying dependant. There is no distinction between taxed and non-taxed postings. Benchmarked agencies vary in respect to transfer out payments from between \$2,500 for a DIAC unaccompanied officer to \$10,068 plus \$333 per child for an accompanied AusAID posted officer.

Repatriation (return to Australia) also attracts a payment under some circumstances. In the case of AFP, only determinations 20/2005 (IDG), 1/2001 (International) and IDG SES determinations provide for a payment equivalent to 4% of the base salary plus 1% for each accompanying dependant. There is no distinction between taxed and non-taxed postings. Austrade does not pay a repatriation allowance. DFAT, DIAC and AusAID all pay a repatriation payment, ranging from \$2,062 for an unaccompanied DFAT officer to \$5,033 plus \$169 per child for an accompanied AusAID posted officer.

### Travel

Leave fares are paid under international determination 1/2001 and IDG determination 20/2005 where the deployment is less than 1 year. The payment is a reimbursed airfare to Australia for all locations rated under ECA conditions of Level C or worse. Determination 20/2005 deployments greater than 1 year receive a \$20,000 p.a. allowance in lieu on a fortnightly basis. Similarly, IDG SES receives a fortnightly allowance equivalent to \$25,000 p.a. and Afghanistan deployments receive \$1,200 allowance per fortnight in lieu of leave fares. Det 8/2005 (ORG/SRG) and Det 16/2007 (Mission Component IDG) do not receive a leave fare or payment in lieu. Leave fares are provided by all benchmarked agencies, either to Australia or identified regional location. DIAC pays leave fares only for ECA rated C or worse (consistent with AFP Determination 1/2001), with all others paying leave fares for all locations.

Reunion fares are paid under Determination 1/2001 (International) consistent with benchmarked agencies - which allow for up to 4 leave fares p.a. (depending on composition and location) where a child remains in Australia. No other AFP determinations cover reunion fares, with the exception of Determination 20/2005 (IDG) as identified above under leave fares with the additional reunion fare for deployments less than 12 months where a child remains in Australia.

All travel for AFP and Benchmarked agencies is paid at Economy, with the exception of travel to and from post at commencement and completion of the posting - where benchmark agencies all pay business class airfares.

### Leave

Recreation Leave is covered generally in similar terms to that of Australian Based Agreements. AFP agreements cover the respective recreation leave provisions of 5 to 6 weeks, plus 4 mandatory rest days and public holidays and stand down periods. Determination 16/2007 (Mission Component) is calculated on the basis of 4 weeks leave for every 16 weeks deployed which equates to a comparative leave entitlement. The exception is determination 6/2007 (Afghanistan) which is based on 4 weeks leave for every 8 weeks deployed which is effectively double the leave entitlement of other determinations. Benchmarked agencies all award leave consistent with their base agreements. Up to an additional 15 days for hardship leave is provided by AusAID, compared with 10 days for DFAT and DIAC. Austrade does not provide for any additional hardship leave.

Sick leave for benchmarked agencies is applied as a continuation of domestic based agreements. This is also applied under Determination 1/2001 (International) and IDG Determination 20/2005. For the remaining AFP determinations, sick leave is managed via Miscellaneous Leave which is managed within thresholds either at the Mission Commander level or National Manager IDG. There are no specific upper limits on this leave type.

Leave is separately managed for AFP determinations that may apply to tax exempt locations. Difficulties arise in the treatment of leave accrued under different taxation treatments, and this approach ensures that leave accrued in tax exempt circumstances is paid out tax exempt, separate from taxed accrued provisions.





### Education

Education for school aged children is covered through AFP determinations 1/2001 (International) and 20/2005 (IDG). With the former, reimbursement is paid up to an equivalent of 30% of the officer's base salary, and the latter is up to \$15,200 per child. Benchmarked agencies all reimburse up to the 'Benchmark' standard level which is calculated at Canberra Grammar rates. In the case of DFAT, AusAID and DIAC – a contribution by the employee of \$8,014 is payable.

### Special Consideration Payments / Benefits

In addition to those noted above, DFAT and AusAID pay additional allowances for specific locations, namely Iraq, Afghanistan, Islamabad and Nigeria. The payment provided can be up to \$89,289 in the most severe locations. DIAC also has special consideration payments for East Timor, Indonesia, Iran and Papua New Guinea but only to a maximum level of \$5,000 p.a.

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## ANNUAL PAYMENTS TO AN OVERSEAS DEPLOYED EMPLOYEE, UNACCOMPANIED AND 2 YEAR DEPLOYMENT FOR COMPARATIVE PURPOSES

Determination Who	Det 1/2001 Int - Unacc	Det 1/2001 Int - Int	Det 1/2001 IDG SES	Det 2/2006 IDG - Short term	Det 3/2006 IDG - Afghan	Det 4/2007 IDG - ORG	Det 5/2007 IDG - Unacc	Det 6/2005 IDG - Unacc	DFAT Unacc	Australia Unacc	AusAID Unacc	DIAC Unacc
Composites	Working Pattern Composite	30%	22%	30%	22%	22%	22%	22%	0%	0%	0%	0%
Allowances	Additional Overseas Allowance (COPA/Exempt)	40%	40%	-	43%	58%	43%	43%	16% gross salary grossed up ECA - Up to \$25,511 (Up to 30% avg salary factored at 18 grossed up) Yes - based on ECA up to 15% not taxed	30% gross salary grossed up ECA - Up to \$30,000 (Up to 30% gross salary grossed up) Yes - based on ECA up to 15% not taxed	16% gross salary grossed up ECA - Up to \$25,511 (Up to 30% avg salary factored at 18 grossed up) Yes - based on ECA up to 15% not taxed	20% (subject to BRT, not taxable) Up to \$39,680 (Up to 30% avg factored at 18 grossed up) Yes - based on ECA up to 15% not taxed
	Location/Hardship Allowance	0% to 50%	0% to 50%	-	-	-	-	0% to 50%	Provided by AFP	Provided by AFP	Provided by AFP	Provided by DIAC
	COLA	Yes - based on ECA up to 15% Not taxed	Provided by AFP	Provided by AFP	Provided by AFP	Provided by AFP	Provided by AFP	Provided by AFP	Provided by DFAT	Provided by Australia	Provided by AusAID	Provided by DIAC
	Accommodation	15%	15%	-	-	-	-	-	Reimbursed by DFAT	Reimbursed by Australia	Reimbursed by AusAID	Reimbursed by DIAC
	Meals	Provided by AFP	Provided by AFP	Provided by AFP	Provided by AFP	Provided by AFP	Provided by AFP	Provided by AFP	\$841	-	-	Yes, Est \$800
	Settling in reimbursement	-	-	-	-	-	-	-	\$6,876	-	-	-
	Household allowance (spouse/dependent tertiary age child in Australia)	-	-	-	-	-	-	-	-	-	-	-
	Hardship child supplement	-	-	-	-	-	-	-	-	-	-	-
	Loss on sale of motor vehicle	-	-	-	-	-	-	-	-	-	-	-
	Partner support allowance	-	-	-	-	-	-	-	-	-	-	-
Travel	Notice to Move	-	-	-	-	-	-	-	-	-	-	Up to \$2,000
	Communication	-	-	-	-	-	-	-	-	-	-	-
	ELOSA	-	-	-	-	-	-	-	-	-	-	-
	ORG Specific	-	-	-	-	-	-	-	-	-	-	-
	Incidentals	-	-	-	-	-	-	-	-	-	-	-
	Plus	-	-	-	-	-	-	-	-	-	-	-
	Field (Camping) (if Applicable)	-	-	-	-	-	-	-	-	-	-	-
	Transfer Out	8%	8%	-	-	-	-	8%	\$4,127	\$2,500	\$6,711	\$2,533
	Leave Fare	1st Return fare est. \$3000, ECA C-F	2nd Return fare est. \$3000, ECA C-F	\$25,000/year	\$1,200/night	\$1,200/night	\$1,200/night	<3 years - 1st Return fare, >3 years - \$20,000/year	\$3,000	\$3,000	3rd Regional/Leave fare per year to the value of return fare to Australia, est \$3,000	Up to 2 x Regional/Leave fare per year to the value of return fare to Australia, est \$6,000
	Reunion fare	Up to 4 per year per child, Up to 4 per year per child in Australia	4%	-	-	-	-	Up to 4 per year per child in Australia, est \$12,000	est \$12,000	Up to 4 per year per child in Australia, est \$12,000	Up to 4 per year per child in Australia, est \$12,000	Up to 4 per year per child in Australia, est \$12,000
Leave	Repatriation	-	-	-	-	-	-	-	\$13,380	-	-	\$2,533
	Basic Leave	EA - 5-6 weeks	EA - 5-6 weeks	EA - 5-6 weeks	EA - 5-6 weeks	EA - 5-6 weeks	EA - 5-6 weeks	EA - 5-6 weeks	As observed at posting location	As observed at posting location	As observed at posting location	As observed at posting location
	Mandatory Recreation Leave	Up to 30 Days	Up to 30 Days	Up to 30 Days	Up to 30 Days	Up to 30 Days	Up to 30 Days	Up to 30 Days	est 25 days	est 25 days	est 25 days	est 25 days
	Rest period and travel days (location dependent)	4 days	4 days	4 days	4 days	4 days	4 days	4 days	2 to 4 days	2 to 4 days	2 to 4 days	2 to 4 days
	Additional hardship leave, based on hardship category	-	-	-	-	-	-	-	Up to 10 days	Up to 10 days	Up to 10 days	Up to 10 days
	Public Holidays	17 days	17 days	17 days	17 days	17 days	17 days	17 days	17 days	17 days	17 days	17 days
	Stand Down	-	-	-	-	-	-	-	-	-	-	-
	Annual Leave Days	51 Days	51 Days	46 Days	51 Days	51 Days	51 Days	51 Days	56 days	42 days	Up to 61 days	Up to 61 days
	Tuition Fees	Reimbursed up to 30% salary	Reimbursed up to 30% salary	-	-	-	-	\$10,000/year/child	Reimbursed up to benchmark	Reimbursed up to benchmark	Reimbursed up to benchmark	Reimbursed up to benchmark
	Boarding Fees	Included in tuition	Included in tuition	-	-	-	-	\$5,200/year/child	Reimbursed up to benchmark, \$8,014 contribution by employee	Reimbursed up to benchmark, \$8,014 contribution by employee	Reimbursed up to benchmark, \$8,014 contribution by employee	Reimbursed up to benchmark, \$8,014 contribution by employee
UN Leave and Allowances (if Applicable)	UN Mission Subsistence (MSA)	-	-	-	-	-	-	-	-	-	-	-
	UN Leave	-	-	-	-	-	-	-	-	-	-	-
Special Circumstances	Daily Mission Allowance	-	-	-	-	-	-	-	-	-	-	-
	Special location supplement (Baghdad, Kabul, Kandahar, Tain Kow, Islamabad, Abja)	-	-	-	-	-	-	-	-	-	-	-
Special Circumstances	Hardship Post attraction	-	-	-	-	-	-	-	-	-	-	-
	Hardship Post attraction	-	-	-	-	-	-	-	-	-	-	-



## ANNUAL PAYMENTS TO AN OVERSEAS DEPLOYED EMPLOYEE, ACCOMPANIED AND 2 YEAR DEPLOYMENT FOR COMPARATIVE PURPOSES

Determination Who	Det 1/2001 Int - Intell - Acc	Det 1/2001 Int - Intel - Acc	Det 1 IDG SES	Det 20/2005 IDG - Acc	DFAT Acc	Austrade Acc	AusAID Acc	DIAC Acc
<b>Composites</b>								
Working Pattern Composite	30%	22%	30%	22%	1.5%/dependant + \$2,116	-	-	-
Plus Dependents Composite	4%/dependant	4%/dependant	0%	4%/dependant	-	-	-	1.5%/dependant + \$1,500/2,500
<b>Allowances</b>								
Additional Overseas Allowance (COPA)/Expatriate Location/Hardship Allowance	40%	40%	-	43%	24% gross salary grossed up ECA - Up to \$38,267 (Up to 30% avg salary factored at 1.2 grossed up) Yes - based on ECA up to 15% not taxed	30% gross salary grossed up ECA - Up to \$38,267 (Up to 30% avg salary factored at 1.2 grossed up) Yes - based on ECA up to 15% not taxed	24% gross salary grossed up ECA - Up to \$38,267 (Up to 30% avg salary factored at 1.2 grossed up) Yes - based on ECA up to 15% not taxed	30% (subject to FBT, not taxable) Up to \$29,520 (Up to 30% avg salary factored at 1.2 grossed up) Yes - based on ECA up to 15% not taxed
COLA	Yes - based on ECA up to 15%	Yes - based on ECA up to 15%	Provided by AFP (\$340/week)	Provided by AFP	Provided by DFAT	Provided by Austrade	Provided by AusAID	Provided by DIAC
Accommodation	Provided by AFP	Provided by AFP	\$17,680	Provided by AFP	-	-	-	Reimbursed by AusAID
Meals	-	-	-	-	Reimbursed by DFAT \$841	Reimbursed by Austrade	Reimbursed by AusAID	Reimbursed by DIAC
Settling in reimbursement	-	-	-	-	-	-	-	Yes. Est \$800
Equipment and clothing allowance	-	-	-	-	-	-	-	-
Household allowance (spouse/dependant tertiary age child in Australia)	-	-	(\$40/fortnight)	-	-	-	-	-
Hardship child supplement	-	-	\$1,040	-	\$3,032	-	\$6,876 grossed up	\$2,000
Loss on sale of motor vehicle	-	-	-	-	-	\$5,000 for employment consultancy services	-	Up to \$2,000
Partner support allowance	-	-	-	-	-	-	-	-
Notice to Move	-	-	-	-	-	-	-	-
Communication	-	-	-	-	-	-	-	-
EU/USA	N/A	N/A	N/A	N/A	-	-	-	-
ORG specific	-	-	\$20/day	-	-	-	-	-
Incidentals	-	-	\$7,300	-	-	-	-	-
<b>Travel</b>								
(Assume 2 year deployment)								
Transfer Out	8%	8%	8%	8%	\$6,192	\$5,000	\$10,068	\$2,944
Leave fare	1x Return fare, ECA C- F, est \$12,000	1x Return fare, ECA C- F, est \$12,000	\$25,000/year	Value of return fare to Australia, est \$3,000	Value of return fare to Australia, est \$3,000	Up to 1x Regional/leave fare per year to the value of return fare to Australia, est \$3,000	Up to 1x Regional/leave fare per year to the value of return fare to Australia, est \$3,000	Up to 2 x Regional/leave fare per year to the value of return fare to Australia, est \$6,000
Reunion Fare	-	-	<1 year - 2 Return fare, >1 year - \$20,000/year	Up to 4 per year per child in Australia, est \$12,000	Up to 4 per year per child in Australia, est \$12,000	Up to 4 per year per child in Australia, est \$12,000	Up to 4 per year per child in Australia, est \$12,000	Up to 4 per year per child in Australia, est \$12,000
Repatriation	4%	4%	4%	4%	\$3,095	-	\$5,033	\$2,944
Dependants (Transfer Out)	2%/dependant	2%/dependant	-	2%/dependant	\$205/child	-	\$333/child	\$577/child
Dependant (Repatriation)	1%/dependant	1%/dependant	-	1%/dependant	\$104/child	-	\$169/child	\$577/child
<b>Leave</b>								
Basic Leave	EA - 5-6 weeks	EA - 5-6 weeks	EA - 5 weeks	EA - 5-6 weeks	As observed at posting location	As observed at posting location	As observed at posting location	As observed at posting location
Mandatory Recreation Leave	Up To 30 Days	Up To 30 Days	25	Up To 30 Days	est 25 days	est 25 days	est 25 days	est 25 days
Rest period and travel days (location dependent)	4 days	4 days	4 days	4 days	-	-	-	-
Additional hardship leave, based on hardship category	-	-	-	-	-	-	-	-
Public Holidays	-	-	-	-	-	-	-	-
Stand Down	17 days	17 days	17 days	17 days	Up to 10 days	Up to 10 days	Up to 10 days	Up to 10 days
<b>Annual Leave Days</b>	<b>51 Days</b>	<b>51 Days</b>	<b>46 Days</b>	<b>51 Days</b>	<b>56 days</b>	<b>42 days</b>	<b>Up to 61 days</b>	<b>Up to 52 days</b>
<b>Education</b>								
Tuition Fees	Reimbursed up to 30% salary	Reimbursed up to 30% salary	-	\$10,000/year/child	Reimbursed up to benchmark	Reimbursed up to benchmark	Reimbursed up to benchmark	Reimbursed up to benchmark
Boarding Fees	Included in tuition	Included in tuition	-	\$5,200/year/child	Reimbursed up to benchmark \$8,014 contribution by employee	Reimbursed up to benchmark \$8,014 contribution by employee	Reimbursed up to benchmark \$8,014 contribution by employee	Reimbursed up to benchmark \$8,014 contribution by employee
<b>UN Leave and Allowances (if Applicable)</b>								
UN Mission Subsistence (MSA)	-	-	(Up to \$140/Day)	(Up to \$140/Day)	-	-	-	-
UN Leave	-	-	Up to \$51,100	Up to \$51,100	-	-	-	-
<b>Special Circumstances</b>								
Daily Mission Allowance	-	-	(\$0 to \$41 per day)	(\$0 to \$41 per day)	Up to \$89,289/year	Up to \$89,289/year	Up to \$89,289/year	Up to \$5,904 (DII)
Special location supplement (Baghdad, Kabul, Kandahar, Tahrir Kowt, Islamabad, Abuja)	-	-	up to \$15,000	up to \$15,000	-	-	-	\$4,018 (Kandahar, Port Moresby)





## Key Single Determination Elements & Considerations

### Overview

In order to adequately address desired management outcomes, the differences in both AFP determinations and that of benchmarked agencies, we have taken careful consideration to the content and extent of allowances and provisions and grouped under a standardised set of categories. These categories include:

- Base Salaries;
- Leave (Sick Leave, Recreation Leave and other Leave types);
- Composite / Flexibility Payments;
- Superannuation;
- Cost of Living Components
- Cost of Posting Components
- Overseas Location Allowances
- Other Allowances

### Concept of Simplifying Allowances (Grouping)

Under the existing determinations, there are multiple allowances which compensate employees in a range of different ways, i.e. notice to move allowances, communication allowances, field allowances. One of the aims of the Single Determination is the simplification of existing processes.

This has been achieved in the Single Determination by grouping the current range of allowances under broader groups, providing some flexibility within some of the allowances to recognise postings where additional remuneration may be necessary.

### Single Determination Elements

Each element is analysed in detail as follows, with a focus on preferred or presented options for consideration by AFP Management, the current environment with respect to existing determinations, comparison to benchmarked agencies, and a proposed single determination position.

#### Base Salary Linkages

The AFP presented two options for Analytics Group to review as part of this project, whether to completely de-link from the current agreements for the period of overseas deployments, or maintain key linkages to the existing agreements where appropriate. Both options can be implemented from a legal standpoint. Our analysis has concluded that there are far greater reasons to retain some level of linkage with existing agreements than to keep them separate in some respects. Our analysis has addressed the key areas of base salary and leave, with the latter not proposed to remain linked as analysed in the following section.

Previous single overseas determination drafts have investigated the concept of a separate base salary spine, which is specific to overseas deployed officers. There is no legal impediment to this approach as the determination falls outside the standard EA/ ELEA/ SES Agreements for Australian Based staff. It is understood that a primary objective behind this approach was to contain costs, as the current determinations link most allowances and supplement payments to a % of base salary. This creates the problem that these allowances will automatically increase commensurate with base salary increases and are not necessarily linked to any cost of living measures whilst on overseas deployment.





### Under Existing Determinations

Under all of the existing Determinations, an employee's base salary is in line with the relevant employment agreement; however there is an inconsistency in provisions that allow for broadband advancements to apply, nor the flexibility for higher duties allowances to be paid in respect of higher increments within a particular band.

### Comparison to Benchmarked agencies

All benchmarked agencies (DFAT, DIAC, AusAID, Customs and Austrade) pay salaries in line with their relevant employment agreement based on the level required of the posting, this can result in higher and lower duties payments and allowances. There are no separate pay scales applied by benchmarked agencies.

### Leave (Recreation, Sick, Other)

#### Under Existing Determinations

Existing determinations vary in application of leave, but less so in the total leave entitlement (with the exception of Afghanistan leave which is effectively double that of other determinations. In respect to Determination 1/2001 (International) and 20/2005 (IDG), leave provisions are mirrored from the relevant existing domestic employment agreement. All other IDG determinations provide for leave separately, however generally mirror the total provision that would be applicable within an Australian context. The IDG determinations from 2007 all deliver separate leave provisions to account for the non-taxed locations to ensure that leave accrued in tax exempt circumstances are able to be taken without tax penalty.

#### Comparison to Benchmarked agencies

Benchmarked agencies generally mirror Australian Based entitlements, and provide for a continuation of these accrued provisions whilst on an overseas deployment. Additional consideration is given where the posted officer is unable to observe public holidays and/or work over weekends. However benchmarked agencies had not encountered the issues as identified in this section for AFP with respect to taxed and non-taxed deployments. Non-taxed deployments create a separate set of management issues that predicate a need to consider leave under separate provisions for the AFP.

### Flexibility Allowance / Composite / Working Pattern

#### Under Existing Determinations

Under the existing determinations, the payment of a working pattern type composite is outlined below:

	International Determinations			IDG Determinations					
Det	1/2001	1/2001	2/2002	1/2009	2/2006	6/2007	8/2007	16/2007	20/2005
What	Liaison Officers	Intel Officers	Short Term	SES Officers	Short Term	Afghanistan	ORG / SRG	Mission Comp.	Long Term
Base Composite	30%	22%	37%	30%	65%	65%	80%	65%	65%
Overseas Composite	40%	40%	-	-	*	*	*	*	*

\*These determinations do not pay an additional 'overseas' allowance, consequently these composites can be viewed as being inclusive of any overseas allowance component

Of the existing determinations, only Determination 1/2001 provides the flexibility for a differing level of composite to be payable within the determination and this determination makes the distinction on the basis of a particular role, i.e. liaison v intelligence. The remaining determinations all pay the same level of composite to all employees





under each respective determination regardless of the actual flexibility requirements particular to each role or location.

To the extent that composites are paid without an element of overseas allowance included, the rate of composite paid is largely in line with the composites proposed under the Single Determination.

#### Comparison to Benchmarked agencies

The concept of paying composites is unique to the AFP, and none of the benchmarked agencies pay a composite, either to employees domestically or whilst on deployment. It is further noted that benchmarked agencies do not compensate their employees for the requirement of flexibility whilst deployed overseas.

### Superannuation Considerations

#### Under Existing Determinations

Superannuation is generally only applicable to the first 22% of the composite payable and, of course, the base salary. In effect, this will only impact superannuation when the officer has a birthday, which triggers a superannuation salary review. Once a superannuation salary increases, it does not decrease, so for CSS and PSS superannuation recipients, this can produce a long tail cost to the AFP, well after returning to Australia – if a composite is not payable in their domestic position.

PSSAP members are under an accumulated scheme, and therefore do not receive the long tail benefits of an increase superannuation salary.

#### Comparison to Benchmarked agencies

Benchmark agencies only pay superannuation on base salaries and do not have a composite payment equivalent.

### Cost of Living Components

#### Under Existing Determinations

Under the existing determinations, only determination 1/2001 includes a provision to pay COLA. At present, owing to the strength in the Australian dollar and the Australian economy, very few locations have a positive COLA index, however provides an important safety net for deployed officers.

#### Comparison to Benchmarked agencies

COLA is paid in all of the benchmarked agencies on the basis as outlined in the proposed approach for the Single Determination, except the COLA index is applied to each individual's salary.

### Cost of Posting Components

#### Under Existing Determinations

Under the existing determinations, the payment of an Overseas Allowance is outlined below:

	International Determinations			IDG Determinations					
Det	1/2001	1/2001	2/2002	1/2009	2/2006	6/2007	8/2007	16/2007	20/2005
What	Liaison Officers	Intel Officers	Short Term	SES Officers	Short Term	Afghanistan	ORG / SRG	Mission Comp.	Long Term
Base Composite	30%	22%	37%	30%	65%	65%	80%	65%	65%
Overseas Composite	40%	40%	-	-	*	*	*	*	*





\*These determinations do not pay an additional 'overseas' allowance, consequently these composites can be viewed as being inclusive of any overseas allowance component

Only determination 1/2001 currently pays a true Overseas Allowance, labelled an 'Overseas loading'. This loading is not paid on a net basis, resulting in inequities between employees posted at taxed and non-taxed postings. It is also calculated on each individual's base salary and as such leads to inequities between employees working at different levels, even though it is arguable that the policy intent of compensating an employee for the impacts a posting has on their lives would infer that each employee is impacted to a similar extent and consequently should be compensated as such. The overseas compensation for the IDG determinations is incorporated in an overall composite payment, based also on a % of salary.

#### Comparison with Benchmarked agencies

All of the benchmarked agencies pay a form of 'Overseas Allowance' labelled as either a Cost of Posting Allowance (COPA) or an 'Expatriate Adjustment'. These allowances in the benchmarked agencies are all calculated as a percentage of each individual's salary and are paid on a net basis (i.e. grossed up to account for any PAYG liabilities associated with the payment). The rate varies from 16-30% for unaccompanied postings and 24-30% for accompanied postings, with Austrade making no differentiation between accompanied and unaccompanied postings.

#### Location Allowance

##### Under Existing Determinations

Under the existing determinations, only determinations 1/2001 and 20/2005 currently include a provision related to the ECA Location Rating System. These determinations pay an additional percentage above the recommended percentages, however are not paid on a net basis, which means that those employees deployed in non-taxed environments are eligible to receive significantly more than those deployed in taxed environments.

##### Comparison to Benchmarked agencies

The benchmarked agencies all pay a location composite based on the ECA and gross up the payment to ensure that the employee receives the recommended amount net of tax. Benchmarked agencies apply the appropriate ECA percentage to an average salary of a deployed employee from that particular agency.

#### Standard Inclusions (All Postings)

##### Accommodation

##### Under Existing Determinations

AFP always provides accommodation overseas to what is considered an acceptable standard. At present, in situations where UN allowances are payable, there is potential for a double payment being made to a deployed officer as UN pay for accommodation support, however this may or may not be funded by the AFP officer.

Some determinations within IDG include a provision for a field / camping allowance of \$35 per day, however it is understood that this is rarely applied.

##### Comparison to Benchmarked agencies

All benchmark agencies provide accommodation to what is considered an appropriate standard. It is unclear if additional financial support is provided for poor accommodation.





## Taxation Considerations

The taxation considerations relevant to the AFP in respect of the Single Determination are split into two different categories:

- Fringe Benefits Tax – payable by the AFP; and
- Income Tax – payable by AFP employees.

These two considerations are interrelated and the distinction between the two drives some of the decision making in how benefits are provided to employees.

## Changes to LAFHA

The single overseas determination is unable to directly address the additional cost impact of the changes by the Commonwealth Government to the Living Away From Home Allowance, known as LAFHA. In effect, LAFHA changes will create an additional fringe benefit obligation in respect to the overseas accommodation, unless it can be demonstrated that the house in Australia is continuing to be maintained. It is also important to note that this only impacts officers posted on taxed deployments. There is no reasonable capacity to accommodate the impact of this within the single overseas determination as to do so would require posted officers to demonstrate that they are continuing to maintain a residence in Australia which is impractical except in particularly short term deployments.

## Implications of Grossing up Net Allowances

There is a large discrepancy in the benefits derived by a tax exempt posting and a normal PAYG tax posting. All current AFP determinations make no discernible clarification on allowances paid in terms of the net benefit that will be derived by the employee. Benchmarked agencies all pay allowances in a 'net cash' form, and gross up for the applicable tax obligations borne by the officer. The instance of tax exempt postings is not common with other benchmark agencies with the exception of AusAID – however they do not approach class rulings in the same manner as the AFP.

With the understanding that AFP places itself between the tax office and the employee through class tax rulings, it is therefore prudent and incumbent on the AFP to take account of allowance payments in net terms. This view is strengthened by the nature of recent New Policy funding which has been reduced through Treasury input for the 'tax foregone' in tax exempt circumstances.

All these reasons give rise to the need to consider allowances in a net benefit context, which will effectively halve the allowances under tax exempt circumstances. It remains important to note that this still results in a significant financial benefit to the employee in tax exempt postings as the base salary and any flexibility payment will remain tax exempt, providing a marked advantage over taxed comparisons.

## Posting Types

### Deployment Postings

Postings less than 2 years will generally be classed as unaccompanied and would not give rise to any dependant allowances, including education support. All other postings would be expected to include an accompanied option unless the location or the work requirement precludes this on grounds of safety or operational appropriateness. Where postings are restricted to unaccompanied status, this would be clearly identified at the time of advertising the position.

### Fly-In-Fly-Out

Fly-In-Fly-Out postings are locations where there are particular security and/or operational constraints. Examples include Afghanistan. These postings are always unaccompanied and are generally for less than 2 years. Where these arrangements apply, different leave arrangements and access to travel benefits may apply.





### Short Term Missions

In principle, the Single Determination applies to all overseas deployments greater than 21 days. For any overseas travel less than 21 days, the EA/ELEA/SES Agreement will continue to apply to employees under the travel provisions of those agreements. Deployments in excess of 21 days do not automatically apply to this determination, and the AFP may choose to apply review T/A or long term travel arrangements in certain circumstances.

For deployments less than 12 months, but greater than 21 days, certain provisions of the Single Determination will not apply leaving a reduced range of entitlements for short term missions.

The benefit of this approach is to simplify the Single Determination document so that all base principles apply to both short term and longer term missions, with employees on longer-term missions receiving additional entitlements.

### Elements Not Included in the Single Overseas Determination

There are a number of areas that have not been compensated for or covered within the proposed single determination. Following are the key areas that have been analysed but not included. The AFP may wish to consider if these areas do require inclusion within the single determination framework. Analytics Group has identified where this would most likely be applied if incorporated within the proposed framework.

#### Additional Compensation for 'High Intensity' Locations / Postings

International program identified a preference to include the capacity to provide additional financial support to posted officers in locations where a particularly high operational tempo exists. Some analysis was undertaken to address this via a variable flexibility allowance, however this was deemed difficult to encapsulate in a manner that would not give rise to general cost creep in this allowance. The factors that could apply to this may be addressed on a case by case basis through the special considerations component, and in particular would be applicable in special events (for example the Olympic Games) or major incidents. To provide a blanket provision however was considered difficult to implement and maintain.

#### Additional Compensation for SRG Deployed Members

Current determinations provide for additional remuneration for SRG members through a separate allowance (though considered in lieu of EOUSA) and a 15% higher composite. Throughout this review, additional remuneration for SRG members on overseas deployments was not directly addressed. These members currently receive an additional \$10,000 p.a. allowance which could be 'rolled-in' to the overseas determinations, but is currently excluded.

#### Notice-to-Move (NTM) Allowance (IDG)

IDG officers within the mission component receive a Notice to Move allowance of \$5,200 p.a., paid fortnightly under Determination 17/2007. This allowance continues for all IDG deployed officers, with the exception of those deployed under Determination 20/2005 and IDG SES officers. An existing determination for the 'ready to deploy' officers within IDG Australian Based contingent (residing in the mission component pool) also provides for this payment. The single overseas determination is not considering a notice to move allowance equivalent, however has not assessed the need for continuation of this allowance for the Australian Based contingent. This would need to form a separate determination (as this determination will only cater for overseas deployments) or a decision to not repeal the existing determination for these officers.





## Draft Single Overseas Determination

### Proposed Determination Framework

#### PROPOSED SINGLE OVERSEAS DETERMINATION FRAMEWORK

Base Salary / Work Level Standard	<ul style="list-style-type: none"> <li>In accordance with EA/ ELEA/ SES</li> <li>Higher Duties Available</li> </ul>	Base Salary
% Base Salary	<ul style="list-style-type: none"> <li>20% Flexibility Band 1-8 Only,</li> <li>0% for Band 9 and SES as this is already compensated for in base salary</li> </ul>	Flexibility Allowance
% Salary but capped at a base salary level of \$100,000	Specific Allowance related to (ECA) rank, 0 – 30% of a base salary of up to \$100,000. Covers the cost of country specific conditions. Grossed up for Taxed postings	Location Allowance
	Based on COLA allowances. Provides for a safety net for deployments to high cost destinations. Payment is Tax exempt. Paid as (%) of a base salary of up to \$100,000	Cost of Living Allowance
	Covers all other allowance compensation related to being posted overseas. 20% salary capped at \$20,000 paid net and grossed up for taxed postings	Overseas Allowance
Reimbursed to account for FBT 50% deduction	Payment by reimbursement for leave fare. 1 per year per officer and spouse / each dependent at post. Only applies to postings of 2 years or more.	Annual Leave Fare
\$ Value, grossed up for Taxed Locations	Allowance for all other costs and/or special considerations. Can be either \$ value or additional leave, or both. NMHR/REM Committee delegation	Special Circumstances
\$ Value, grossed up for Taxed Locations	AFP provides accommodation to acceptable standard. Extent to which this cannot be provided results in compensation, for example \$5 to \$35 per day (field Allow equ.)	Accommodation
\$ Value , grossed up for Taxed Locations	Allowances paid by other parties, eg UN, results in equivalent deduction from these allowances paid. Where AFP provides meals a deduction will be taken (eg. \$15 per day)	Deductions





# PROPOSED SINGLE OVERSEAS DETERMINATION FRAMEWORK

This would include single parents that leave children at home

Unaccompanied deployments may have dependants in Australia.

Leave to mirror to the largest extent possible, existing Australian employment agreements.

## Other Allowances

Education / Tuition to mirror DFAT for dependants and only available for postings of 2 years or more.

Additional payment of \$5,000 p.a. for a spouse, and \$2,500 p.a. per other dependant, and grossed up for taxed postings. Paid as a fortnightly allowance. If spouse or dependant remain in Australia the allowance is still payable in lieu of reunion fares. This payment is only made for deployments of 2 years or more.

Access to a Outlay advance paid back within 12 months. Consider increasing Outlay Advance level to account for no other lump sum payment at time of deployment. Total to reside inside the calculated ATO / FBT exempt levels. Only available for deployments of 1 year or more.

Removal and Storage of personal effects are paid by AFP within standard limitations. Only available for deployments greater than 12 months and when the Australian residence is not being maintained.

Accompanied postings are only available for 2+ year postings.

## Leave

Sick Leave to get initial allowance of 18 days and additional 18 days on each anniversary.

Sick leave exceeding this will generally be returned to Australia and revert to Australian based industrial agreement. Sick Leave accrued on mission expires at end of deployment. Normal documented evidence of sick leave required.

All other leave combined as Mission Leave, and is applied as follows:

- 5 or 6 weeks annual leave (per existing EA or ELEA or SES Agreement)
- Consideration for public holidays (11) and MRD's (4) and close down
- Where officers work a 7 day week cycle, leave is increased accordingly

Where leave cannot be taken at post, it will be taken upon return to Australia and must be taken before other accrued leave is taken.





## Base Salary

In the proposed Single Overseas Determination, salaries of deployed officers are linked to the base salaries payable according to the level of the position under the applicable Enterprise Agreement 2012-2016, Executive Level Enterprise Agreement 2011 or SES agreement.

Employees will be eligible to progress through the broadband advancement provisions provided the eligibility requirements are met for advancement across soft and firm barriers as provided for under the applicable employment agreement. This will assist with both the transition into an overseas deployment as well as the reintegration back into the relevant domestic employment agreement at the end of the deployment, whilst also ensuring employees are able to continue to progress their careers whilst deployed.

As salaries will be linked to the applicable employment agreement, employees will be eligible to receive higher duties allowances where appropriate, when the requirements are met under the relevant employment agreement. The Single Determination will also make it possible for higher increments to be payable in respect of higher duties performed whilst deployed in line with the requirements of the position, rather than be limited to the minimum increment point for the salary band as provided for in the current Enterprise Agreement.

To the extent that a deployed employee is working in a tax-free environment, the employee will continue to receive their salary tax-free under the Single Determination, subject to ATO acceptance of the class rulings applicable under this determination.

This will assist with both the transition into an overseas deployment as well as the reintegration back into the relevant domestic employment agreement at the end of the deployment, whilst also ensuring employees are able to continue to progress their careers whilst deployed. Most importantly, it maintains the linkage with work level standards already in place within AFP structures and agreements. This will further ensure that appropriately experienced and qualified officers will be deployed in equivalent / comparable roles.

The proposed position under the Single Determination will assist deployed employees to reintegrate into the AFP upon completion of a deployment and remove any potentially disincentive in respect of broadband progression that may currently exist under the existing determinations.

The consequences of moving to a separate pay scale will substantially increase administration, in particular with respect to alignment with performance management, progression and reintegration, and would necessitate the development and maintenance of comparative work level standards separate to that maintained for Australian Based officers. On balance, the compelling reasons to align with the relevant current agreements far outweighed the costs.

## Superannuation

Base salary will be the ONLY component of the determination that is counted for superannuation purposes.

The base proposition of the single determination is that ONLY the base salary is counted for superannuation purposes. Consideration may be given to including the flexibility component for super purposes, however where an employee later returns to a role in Australia that does not attract a composite, the cost tail would continue for CSS and PSS members. In situations where an employee is already receiving a working pattern composite in Australia and takes an overseas deployment, so long as they have had a superannuation salary review (birthday) whilst on the working pattern composite, they will not be disadvantaged whilst on post (as the higher superannuation salary will remain). PSSAP members would have a reduced contribution. This approach will ensure that the Single Overseas Determination does not provide for unintended tail costs for returning members to Australian roles.

There is a risk that the salary received whilst on overseas deployment will warrant additional superannuation obligations where the superannuation paid does not cover at least 9% of Ordinary Times Earnings (OTE). Although unlikely, there could be a short term supplementary payment required to cover any shortfall. Depending on how OTE is calculated, it would be considered rare that the 15.4% minimum contribution against the base salary would not cover this minimum threshold.





### Flexibility Allowance

In the proposed Single Overseas Determination, a 'flexibility allowance' will be paid to an employee. This will be paid in recognition of additional hours worked and flexibility required at post, largely reflecting the additional compensation AFP employees would receive were they performing similar roles in Australia. Consequently, this allowance should be viewed as additional salary payable to AFP employees in respect of additional flexibility in operations including additional hours of work, time zone differences when communicating with Australian Based operations, reduced flexibility and restrictions when not at work (for example travel restrictions, on call capacity) and when required working in on a rostered basis or on weekends to ensure a 7 day a week service coverage. This will not be comparable to a working pattern composite as the demands of an overseas deployment are unique and are not equitably comparable to an Australian Based position.

The flexibility payment will also only apply to Band 1-8 employees whilst deployed overseas under the Single Determination and Executive Level employees and SES will not be eligible to receive the flexibility composites. This reasoning is consistent with the wording of the Executive Level Enterprise Agreement 2011, which outlines that the level of remuneration an employee covered by the ELEA receives reflects an expectation that the employee may be required to work rostered shifts and/or outside of normal business hours without further remuneration.

The rationale behind the payment will be consistent with that behind the payment of the composites domestically but to meet the overseas requirements. The flexibility payment effectively takes on the character of additional salary payable to the employee rather than allowance paid in respect of the overseas nature of the role being performed. However, as identified in the superannuation section, will not count for superannuation purposes.

### Location Allowance

In the Single Determination, a Location Allowance will be paid to employees in recognition that in some countries, difficulties and changes to lifestyles may be experienced due to a combination of cultural, climate, social and/or environmental conditions.

The Location Allowance will vary according to the country and at times within a country, as determined by the ECA Location Ranking system, which ranks each location on a scale from A-F, providing for allowances ranging from zero to 30 per cent to be paid on a net basis (ie. grossed up for taxed locations).

Location rankings are reviewed by ECA annually and are determined completely independently. The factors considered by the ECA Location Ranking system include:

- Climate – the clemency of the climate and the frequency and occurrence of natural disasters;
- Pollution – the airborne pollution; density; gas emissions; and urban population;
- Health – the provision of medical facilities, the standard of emergency services and the range of drugs and medical supplies;
- Language & culture – major language groups have been classified in comparison to Australia. The cultural component looks at the social and economic profess of the society and the political and religious environment;
- Goods & services – the quality and availability of goods and services. These are based on a series of broad criteria;
- Isolation – the degree of isolation an expatriate might experience during the assignment, focussing on the standard of transport and communication in the area;
- Social network & leisure – the news and media, the expatriate community, social activities and leisure pursuits in relation to an expatriate's leisure time;
- Housing, utilities & education – the quality and supply of housing, the reliability of utilities and the availability, curriculum and quality of the education;
- Personal security – assessed level of risk to personal security, either independent of socio-political climate or, in some cases, as a result of instability in the country; and
- Socio-political tensions – the socio-political situation applicable to the country. It reflects existing tensions and instability.





It is proposed that in the Single Determination, the percentage as applicable to a particular location will then be applied to the base salary (capped) of an AFP officer deployed overseas in order to determine an appropriate level of location allowance for each of the levels identified within the ECA Location Rating System. It is proposed that the level of compensation provided in respect of each level be reviewed from time to time as necessary.

In line with other allowances, it is proposed that the allowance payment is capped at a base salary level of \$100,000.

### Cost of Living Allowance (COLA)

It is proposed that a Cost of Living Allowance (COLA) will be paid to employees against their base salary, but capped at a base salary level of \$100,000. COLA is calculated to compensate employees for the difference in the cost of living at an overseas post and living in Australia. This is achieved by applying a cost of living allowance index for the overseas country to an average overseas-based AFP employee's base salary, to be reviewed from time to time. To the extent that the cost of living is higher in Australia than it is at an overseas post, no negative COLA index will be applied.

A cap of \$100,000 of an AFP employee's salary for COLA calculation purposes has been chosen in order to reflect that the cost of living differential for employees of different levels at a given post but only to a reasonable benefit limit.

The COLA index is calculated by the ECA based on approximately 120 key items and is updated every six months and more frequently in those countries with high inflation. The amount payable in respect of COLA will be adjusted on a fortnightly basis by the AFP to reflect movements in exchange rates. The items included in the COLA index are grouped under the following headings:

- Food, including meals at restaurants;
- Drink;
- Clothing;
- Electrical goods;
- Miscellaneous goods, including hobbies and household goods;
- Services, including part-time domestic staff; and
- Motor vehicles.

Certain items are excluded because they are considered as luxuries, seldom used in Australia, or because the AFP provides them separately as an employment benefit. These items include:

- Rented accommodation (provided by the AFP)
- Utility costs (paid by the AFP)
- Furniture (accommodation provided by the AFP is furnished)
- Jewellery (discretionary)
- School fees (paid by the AFP)

### Overseas Allowance

In the Single Determination, it is proposed that an Overseas Allowance will be paid to employees on a fortnightly basis to compensate for the wider range of impacts a posting has on their lives. It will serve as an incentive for overseas service and also provide a buffer to even out the effects of costs which may not have been picked up by COLA. Additional entitlements and benefits that are proposed to be rolled into the Overseas Allowance include transfer allowances (Cost of leaving home and re-establishing in Australia at the end of post) and other payments such as Communication allowances.

The amount of the Overseas Allowance will be calculated at 20% of base salary but capped at a base salary level of \$100,000, and will be grossed up for taxed postings but not for tax-free posting. The payment will apply if an employee is unaccompanied or accompanied.





In the Single Determination, as the Overseas Allowance is to be paid as a net amount, for simplicity, it is proposed that the Overseas Allowance will be doubled if paid to an employee working in a taxed environment to approximate the additional PAYG taxation liabilities associated with the allowance.

### Travel to / From Post (Commencement and Conclusion of Posting)

The AFP's liability for costs associated with travel to commence deployment or return at the end of the deployment will be limited to:

- An economy airfare from the employee's post back to Australia at the allowable cost for the employee and each approved dependant located at the post.
- Premium Economy airfare (where available) for Executive Level Officers and their approved dependants where the international leg exceeds 4 hours in duration; and
- Business Class airfare for SES officers and their approved dependants where the international leg exceeds 4 hours in duration.

### Leave Fare Assistance

In the Single Determination, it is proposed that 1 Leave Fare per fully completed year of deployment be provided to each employee and his/her dependants deployed overseas for deployments of 2 years or more.

Leave Fares provide employees and their families, on a long-term posting, the opportunity to gain access to medical, dental and/or shopping facilities which may be unavailable at post, and also to obtain relief from a difficult environment. Leave fare travel will normally only be approved for a period of at least 7 days, and any time away from post must be covered by a form of leave which is applied for and approved prior to travel.

While employees may elect to travel to an alternate location other than back to Australia, the delegate should ensure it provides access to appropriate facilities and that no DFAT Travel advisory to the destination is current.

An economy return airfare from the employee's post back to Australia at the allowable cost for the employee and each approved dependant located at the post.

### Special Circumstances

There is a need to include a clause to provide for special or unique circumstances that are not addressed within the proposed agreement. It is suggested that this be in the form of a general provision that is held at a delegation level of NMHR or above. This approach will 'future proof' the current determination to some extent as it has capacity to apply to new and emerging requirements for overseas postings.

One such special consideration that needs to be included is in relation to Afghanistan. Currently, deployments to Afghanistan are provided with additional leave (up to 100% more than standard deployments) and additional allowances. This would form a short supplement to the base determination that provides for this specific circumstance.

### Accommodation Allowances

AFP, under the standard terms and conditions of this determination, are provided on the basis that accommodation is provided to an acceptable standard for its deployed officers. To the extent that the AFP is unable to provide this standard of accommodation commensurate with normal expectations due to location or operational constraints, additional accommodation allowances may be payable, subject to AFP determination (through NMHR). The Accommodation Supplement is designed to compensate an Employee for the additional hardship attributable to a deployment by virtue of the quality of accommodation in which they reside whilst deployed.

Our recommendation is that this is assessed on a sliding scale as follows:

#### For Unaccompanied Postings Only

- Unable to provide accommodation and consequently camp out (sleeping arrangements in either open air or non-permanent tent) would receive \$35 per day, consistent with the current field allowance;





- Accommodation arrangements are rudimentary with no access to wash room facilities and in dormitory / shared sleeping arrangements of 4 or more to a room would receive \$25 per day;
- Accommodation arrangements that are sub-standard and include shared room accommodation and shared wash room facilities would receive \$15 per day;

#### For Any Posting Arrangement

- Accommodation that is of a lower standard and may include no air conditioning or heating, shared facilities or limited freedoms due to compound arrangements would receive \$5 per day.

All allowances would be grossed up for taxed postings.

### Deductions

Deductions to the allowances payable have been considered under two major categories, food and UN Allowances. These will be addressed as follows:

- Where food is provided or is available to the deployed officer, a deduction from the overall allowance paid to the officer will be taken to the value of \$15 per day. This deduction will apply regardless of the utilisation of the service.
- Where a deployed officer receives an allowance from a third party, for example United Nations, the value of this allowance will be deducted from the overall allowance paid to the officer, on the understanding that the AFP will provide food, accommodation and compensate for living conditions whilst overseas.

All deductions will be taken after tax, where tax is payable.

### Other Allowances, including Spouse and Dependent Support

The decision by AFP to identify a deployment as accompanied generally resides on two factors: if the deployment is for 2 or more years, and is not specifically excluded from accompanied support. If a deployment is deemed an accompanied deployment additional allowances are available. These allowances may also be payable for deployments where either the dependants and/or spouse are unable to accompany the AFP officer for either location specific or operational reasons.

#### Education and Boarding

Where a posting is for 2 years or more, and is deemed an accompanied posting, education and boarding expenses will be covered by AFP where the school age dependants remain in Australia, but within the limits provided by DFAT and other benchmark agencies. This provides for tuition and boarding up to the value of Canberra Grammar rates on a reimbursement basis. Where the children accompany the officer on posting, costs will be covered according to DFAT policy against identified benchmark schools. Where benchmark schools are unavailable, AFP will make a determination on the amount payable for education and boarding (if applicable).

#### Accompanying Dependant OR Dislocated Dependant Allowance (In Lieu of Reunion Fares)

To simplify the allowances paid for either accompanying dependants or the cost maintaining dependants in Australia (when the deployment is deemed to allow for accompanied support), including reunion fares, we are proposing a simple application of allowances, all paid fortnightly. For taxed deployments, this allowance will be grossed up accordingly.

- For the officers current eligible Spouse \$5,000 p.a.; and
- For each approved dependant \$2,500 p.a.

This approach will remove all entitlements to reunion fares for spouse and/or dependants remaining in Australia, and provide financial support for the AFP officer to accompany them on posting. Additional costs to the AFP for accompanied postings would include the travel to and from posting, and additional accommodation costs.

The intention of this approach is to provide the officer with ultimate choice in relation to accompanied arrangements, provide a more transparent and equitable allowance framework and significantly simplify administration.





### Removal of Personal Effects

Removing personal effects to the overseas office is based on a cubic metre allowance system, subject to quarantine and Customs regulations. Any costs for an increased cubic metre allowance will be at the employee's own expense. This would continue to follow the provisions outlined in Determination 1/2001.

### Storage of Personal Effects

An employee's personal effects not removed to the overseas office can be stored in Australia at the AFP's expense from the day of uplift until the completion of deployment. Approval may be given for storage charges at AFP expense up to a maximum of 6 weeks from the date of departure from the overseas office. This would continue to follow the provisions outlined in Determination 1/2001.

### Medical Support

The intent of the Overseas Health Provisions is to provide for treatment of day-to-day health matters, illnesses or injuries that arise during or as a result of posting. The intention is not to provide coverage for specialised treatment of pre-existing conditions or expensive forms of elective treatment such as cosmetic treatments (eg shape altering plastic surgery, laser eye surgery, capping of teeth, joint replacements, vasectomies or IVF treatments.)

In general, this section provides assistance, as far as practicable, for access to hospital and medical facilities of a standard similar to those available in Australia. Assistance is provided in relation to medical, hospital, pharmaceutical, ambulance and ancillary (including dental) service costs. Employees are required to meet approximately the same level of health costs as they would in Australia with the AFP reimbursing excess costs of the same, or similar, service in Australia.

This would continue to follow the provisions outlined in Determination 1/2001.

### Leave Provisions

Leave will be separately recorded and managed to ensure consistency in application of accrued benefits for tax exempt locations (ie these will be clearly identified as accrued under the relevant tax ruling and applied accordingly).

#### Annual Leave

Australian based recreation leave entitlements will be 'frozen' at the commencement of the posting, with an accrual of 'Overseas Recreation leave' to commence and build over the course of the deployment. An additional amount of 'Overseas Leave' in addition to the accrual rate per the EL/ELEA will accrue to recognise Public Holidays, determined stand down periods and mandatory rest days as applicable, and where 7 day a week service is provided (such as in UN Missions), additional consideration will also be provided. To the extent that leave is taken at post, this will be recorded and reduce the leave provision accordingly.

#### Sick Leave

Upon deployment, each employee will be credited with 18 days of 'Overseas Sick Leave', and will receive an additional 18 days on the anniversary of their deployment. The requirement for certification in respect of personal leave will mirror the requirements outlined in the in normal domestic agreements. It is intended that where an employee is so unwell as to be unable to perform his/her duties on deployment, that employee will be returned to Australia and returned to the provisions of the relevant EA/ELEA.

#### Other Leave

The proposed single determination will also consider other leave entitlements such as Long Service Leave and Maternity / Paternity Leave. Only in exceptional circumstances can an employer deny long service leave, and clearly maternity / paternity leave cannot be denied. For the purposes of this determination, these additional leave types will be available only if the officer returns to Australia. This will trigger cessation of the overseas





posting / deployment and the officer will return to the relevant domestic employment agreement. Further, there will be no guarantee of a return to the overseas deployment at the end of the leave.

### Outlay Advance

An Outlay Advance is an interest-free loan available to Employees about to undertake a posting of at least 12 months in duration. It is a one-off payment designed to cover establishment and set-up costs at the post. To the extent that tax provisions allow, Analytics Group recommends that the outlay advance be increased from the current \$5,200 to a value closer to \$10,000. This is in response to the single overseas determination paying allowances in fortnightly instalments. Whilst this approach provides greater benefits to longer term postings (as would be the cost to the officer in such circumstances) it does create an up-front cash outlay for organising affairs prior to post. Costs incurred upon return to Australia should be covered through the accumulation of allowance payments whilst overseas.

### Drafting the Determination

The draft determination will be finalised once the recommended solution is provided. This will then require AFP Legal review. It is proposed that this is completed subsequent to the AFP Executive endorsement of the proposed single overseas determination as provided in this report. Following is the basis for the determination:

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## Transition and Implementation Considerations

There are many transitional issues to consider, however these elements are understood to have the greatest focus at this stage.

### Grandfathering

The term grandfathering refers to maintaining existing deployed officers on existing terms and conditions until the end of their posting, with only new deployments being applied to the new determination. We would propose that this is not undertaken for the following basic reasons:

- All currently deployed officers are aware of the impending changes to conditions, and in the case of IDG deployments have been formally advised that the conditions are likely to change from 1 July 2013 (the implementation date);
- If AFP officers are advised and consulted early in the new year, there will be in effect 6 month period to adjust to the new arrangements;
- Maintaining old determinations is administratively complex and will diminish short term adjustments;
- The deployed officers that are most affected will be in the tax exempt IDG postings. These officers have been forewarned of impending changes.

### Current Deployment Terms

Transition payments may apply in some instances, in particular in respect to:

- Currently deployed officers repatriation payments, under existing agreements;
- Accrued EUOSA payments up to the implementation date;
- Other entitlements such as reunion fares and leave fares where the new arrangements substantially disadvantage an officer. In such circumstances, it is recommended that these are considered on a case by case basis and managed through a specific request from the deployed officer. A transition period of no more than 6 months should be granted (for example, applying for additional reunion fares).

### Implementation Date

The planned implementation date of 1 July 2013 will allow sufficient time for consultation with the AFPA, CPSU and the broader AFP employment base. This will also ensure that any unintended issues that may arise from the draft determination are tested to ensure that there are no unintended consequences not contemplated in the development of the determination.

Further, it is understood that the changes required to the payroll system cannot be scheduled until April 2013, and although not expected to provide any specific problems or issues due to the large scale simplification process, will require additional systems changes. This will also automate many existing manual calculation processes that are undertaken in the International Program and especially in managing the existing IDG determinations.

### Analysis of ~~'winners and losers'~~ Individual officer

Although not part of this assignment, it is recommended that the AFP undertake a specific person-by-person comparison of current benefits, compared to the proposed single determination. This will provide a ready and detailed analysis for each posted officer and provide an important test of the revised determination before it is implemented. The already prepared ready reckoner models will allow for this work to be undertaken.

### Review of Administration Requirements

It is also expected that there will be substantial administrative efficiencies from moving to a single determination. These efficiencies have not been examined, but may provide additional opportunities to combine teams which will provide some resource efficiencies and further allow for a consistent application of the allowances for overseas deployed officers. This may not be possible until after implementation, once the new operating environment is evident.





## Financial Analysis of Proposed Determination

### Overview

Financial comparison to existing determinations is addressed below in terms of specific examples. As the composition of accompanied members, unaccompanied deployments, location and level all contribute to the cost inputs of an overseas deployment an example based approach has been adopted to present the anticipated impact of the proposed single overseas determination.

Overall, the main difference between the benchmark agencies and AFP costs is in relation to the flexibility or composite payment. In considering the single overseas determination it was clear that for undertaking similar work in Australia, AFP officers would generally be receiving an additional 22% composite for working pattern concessions, which is covered by other agencies through other mechanisms such as flex time, overtime and penalties. Removing this standard employment provision, the cost of the single determination is consistent with benchmark agencies.

Each example has been presented to demonstrate particular aspects of the proposed determination, and where the issues are common to successive examples, these are not repeated (for example, the impact of composites or flexibility payments when comparing to benchmark examples).

Each example presents the net benefit (after tax) to the deployed officer. This excludes the cost of transporting the officer to and from post at the start and end of the posting and other supplier based reimbursements such as medical, storage of personal effects and transfer of personal effects to post. These provisions are consistent with benchmarked organisations, and although provide benefit to the officer, have been excluded to demonstrate the impact on the cash in hand to the AFP officer in annualised terms.

### International Program Comparisons

Benchmarking of other agencies identified that the international program determination 1/2001 was overall generally consistent with these agency provisions. The following tables present cost of the total deployment as in an annualised equivalent, based on a standard 3 year deployment (1/3 of the total deployment cost).

#### Example A: London

##### Example A1: London Unaccompanied (and no dependants in Australia)

Band Level	Proposed Single Determination	Det 1/2001 LO /SLO Officers	Det 1/2001 Intel Officers	Benchmark Agency – DFAT	Benchmark Agency - AusAID
5.3	\$111,463	\$122,364	\$118,143	\$95,679	\$97,754
7.3	\$129,712	\$139,299	\$134,312	\$110,080	\$112,155
8.3	\$138,709	\$149,045	\$143,617	\$118,367	\$120,442
EL	\$149,536	\$161,184	\$161,184	\$127,264	\$129,340

There is a general across the board reduction for London deployments, in the order of \$10,000. This largely relates a pairing back of the 'transfer out' and return allowances which are now rolled into a fortnightly allowance.

The variation to the benchmark agencies remains effectively the impact of the flexibility allowance payment either in the single determination up to Band 8 or already incorporated within the EL base salary agreement. This will impact all following examples.





The standard impact of the single overseas determination that differs from benchmark agencies is the application of the overseas allowance where the AFP proposal is providing a flat 20% loading, grossed up for taxed locations, where both DFAT and AusAID discount this payment to 16% when unaccompanied and increase to 24% when accompanied. The proposed determination has not made a distinction between unaccompanied and accompanied officers in this regard. This will benefit unaccompanied postings, and disadvantage (comparatively) accompanied postings.

Example A2: London Accompanied (with a spouse and 2 children)

Band Level	Proposed Single Determination	Det 1/2001 LO /SLO Officers	Det 1/2001 Intel Officers	Benchmark Agency – DFAT	Benchmark Agency - AusAID
5.3	\$167,435	\$168,884	\$164,664	\$151,323	\$151,965
7.3	\$185,684	\$187,772	\$182,784	\$167,552	\$167,695
8.3	\$194,680	\$198,640	\$193,212	\$176,890	\$176,747
EL	\$205,508	\$215,290	\$215,290	\$186,917	\$186,465

There is only a minimal change in the cost profile at the lower band levels to that of the current determination, however the gap increases to \$10,000 p.a. at the EL level, a consequence of capping some allowance payments that are based on a percentage of salary at a base salary level of \$100,000. As noted above, as the benchmarked agencies increase the overseas loading for accompanied deployments, the gap is narrowed in the comparative analysis.

Example B: Papua New Guinea

Example B1: PNG Unaccompanied (and no dependants in Australia)

Band Level	Proposed Single Determination	Det 1/2001 LO /SLO Officers	Det 1/2001 Intel Officers	Benchmark Agency – DFAT	Benchmark Agency - AusAID
5.3	\$151,240	\$152,992	\$148,772	\$138,331	\$140,406
7.3	\$176,813	\$175,123	\$170,136	\$156,096	\$158,171
8.3	\$188,143	\$187,858	\$182,430	\$166,319	\$168,394
EL	\$205,102	\$212,004	\$212,004	\$177,294	\$179,370

There remains a slight reduction in most cases, with the exception for intelligence officers who will receive slightly more than currently (noting that there are very few intelligence officers deployed). The Single Overseas Determination has not distinguished between an LO / SLO or an intelligence officer.

Example B2: PNG Accompanied (with a spouse and 2 children)

Band Level	Proposed Single Determination	Det 1/2001 LO /SLO Officers	Det 1/2001 Intel Officers	Benchmark Agency – DFAT	Benchmark Agency - AusAID
5.3	\$205,604	\$205,621	\$201,401	\$205,171	\$205,685
7.3	\$231,177	\$229,703	\$224,716	\$224,848	\$224,840
8.3	\$242,507	\$243,562	\$238,133	\$236,171	\$235,864
EL	\$259,466	\$272,218	\$272,218	\$248,328	\$247,698

Similar to the London example, the differential applied by DFAT and AusAID for overseas allowance (16% unaccompanied and 24% accompanied as opposed to the proposed AFP position of 20%) narrows the gap in the





comparison for accompanied deployments. This gap is further narrowed with the benchmark agencies applying the same 20% penalty for unaccompanied officers and 20% increase for accompanied postings to the location specific allowance, calculated using the ECA. This effectively doubles the impact identified between unaccompanied and accompanied deployments between the benchmark agencies for locations where an ECA based location supplement is paid.

Example B3: PNG Accompanied (with a spouse and 2 children based in Australia)

Band Level	Proposed Single Determination	Det 1/2001 LO /SLO Officers	Det 1/2001 Intel Officers	Benchmark Agency – DFAT	Benchmark Agency - AusAID
5.3	\$200,294	\$204,937	\$200,716	\$206,372	\$209,757
7.3	\$225,868	\$228,155	\$223,168	\$225,528	\$228,912
8.3	\$237,197	\$241,516	\$236,088	\$236,551	\$239,936
EL	\$254,157	\$268,175	\$268,175	\$248,386	\$251,770

The impact of dependants remaining in Australia, in comparative terms with benchmarked agencies is an impact of the potential cost of reunion fares. The proposed single determination fixes these costs in a standard dependant allowance which equates to the dependant support payment for accompanied dependants. At the lower band levels, this can result in a slightly higher payment by benchmark agencies, assuming no other allowances are paid in respect to accommodation supplements (which is possible in the context of PNG).

Example C: Jakarta

Example C1: Jakarta Unaccompanied (and no dependants in Australia)

Band Level	Proposed Single Determination	Det 1/2001 LO /SLO Officers	Det 1/2001 Intel Officers	Benchmark Agency – DFAT	Benchmark Agency - AusAID
5.3	\$136,366	\$145,229	\$141,009	\$125,979	\$128,055
7.3	\$159,286	\$165,999	\$161,012	\$141,500	\$143,575
8.3	\$169,089	\$177,951	\$172,523	\$150,431	\$152,507
EL	\$179,916	\$198,951	\$198,951	\$160,020	\$162,095

Example C2: Jakarta Accompanied (with a spouse and 2 children)

Band Level	Proposed Single Determination	Det 1/2001 LO /SLO Officers	Det 1/2001 Intel Officers	Benchmark Agency – DFAT	Benchmark Agency - AusAID
5.3	\$189,905	\$203,142	\$198,922	\$192,249	\$192,731
7.3	\$212,825	\$222,029	\$217,042	\$209,703	\$209,658
8.3	\$222,628	\$232,898	\$227,470	\$219,746	\$219,398
EL	\$233,455	\$249,547	\$249,547	\$230,530	\$229,856

The Jakarta examples provide further evidence to the observations noted in the PNG examples above.





## IDG Deployment Comparisons

IDG deployments are complicated by a range of determinations and the current treatment of tax exempt deployments. The current determinations provide substantial benefits to tax exempt deployments in that all associated allowances, when compared to the International Program determination and benchmark agencies are priced to presume a taxed environment. The comparisons below generally demonstrate the impact of this proposed treatment under the single overseas determination, resulting in substantial cost reductions. However the benefits attained from a tax exempt posting are still evident, as the base salary and flexibility allowance will both be tax exempt and not impacted by the single determination treatment of other allowances.

For comparative purposes, the benchmark agency comparatives have applied all stated 'net allowances' as not grossed up where tax is not paid. Although this is not explicitly identified in their allowances, the statement that the allowances are provided in net terms gives rise to the expectation that these payments would not be grossed up if there was no taxation payable.

### Example D: RAMSI

#### Example D1 : RAMSI Unaccompanied (12 mth Deployment)

Band Level	Proposed Single Determination	Det 16/2007 Mission Comp	Det 20/2005 Capacity Building	Benchmark Agency - DFAT	Benchmark Agency - AusAID
5.3	\$166,854	\$189,845	\$227,902	\$156,673	\$159,748
7.3	\$196,416	\$226,676	\$265,828	\$178,067	\$181,142
8.3	\$210,180	\$243,687	\$287,653	\$190,379	\$193,454
EL	\$228,459	\$312,008	\$375,307	\$203,597	\$206,672

Costs are particularly lower due to the net cost treatment of allowances. This substantially reduces the payment to these officers, however remains higher than benchmark counterparts and is also financially advantageous when compared to International Program examples that do have a tax cost.

#### Example D2 : RAMSI Unaccompanied (2 year Deployment)

Band Level	Proposed Single Determination	Det 16/2007 Mission Comp	Det 20/2005 Capacity Building	Benchmark Agency - DFAT	Benchmark Agency - AusAID
5.3	\$169,648	\$189,845	\$227,902	\$153,880	\$156,955
7.3	\$199,210	\$226,676	\$265,828	\$175,274	\$178,349
8.3	\$212,974	\$243,687	\$287,653	\$187,586	\$190,661
EL	\$231,253	\$312,008	\$375,307	\$200,804	\$203,879

By nature, a 2 year deployment provides additional benefits in respect to leave fares assistance, creating a slightly higher benefit to the employee.





Example D3 : RAMSI Accompanied (2 year Deployment, Spouse and 2 Dependants)

Band Level	Proposed Single Determination	Det 20/2005 Capacity Building	Benchmark Agency – DFAT	Benchmark Agency - AusAID
5.3	\$230,356	\$263,934	\$224,623	\$226,688
7.3	\$251,856	\$306,220	\$247,981	\$249,511
8.3	\$264,228	\$330,557	\$261,423	\$262,645
EL	\$280,268	\$408,109	\$275,855	\$276,745

Determination 16/2007 does not apply to accompanied deployments so is not used for comparative purposes.

Example D4 : RAMSI Accompanied (2 year Deployment, Spouse and 2 Dependants in Australia)

Band Level	Proposed Single Determination	Det 20/2005 Capacity Building	Benchmark Agency – DFAT	Benchmark Agency - AusAID
5.3	\$224,768	\$250,458	\$216,088	\$221,102
7.3	\$246,268	\$296,899	\$238,911	\$243,925
8.3	\$258,640	\$320,410	\$252,045	\$257,059
EL	\$274,680	\$394,649	\$266,145	\$271,159

The only differential between example D3 and D4 is there are no leave fares provided for dependants residing in Australia. The allowance paid for dependants is equivalent on an accompanied basis (to cover additional costs at post) and when remaining in Australia (to cover the cost of reunion fares).

**Example E: TIMOR**

Example E1 : TIMOR Unaccompanied (12 Month Deployment)

Band Level	Proposed Single Determination	Det 16/2007 Mission Comp	Det 20/2005 Capacity Building	Benchmark Agency – DFAT	Benchmark Agency - AusAID
5.3	\$170,368	\$270,247	\$303,435	\$154,326	\$157,401
7.3	\$200,825	\$302,945	\$347,239	\$175,041	\$178,116
8.3	\$214,744	\$321,762	\$372,447	\$186,962	\$190,037
EL	\$230,784	\$397,333	\$473,688	\$199,761	\$202,836

Example E2 : TIMOR Unaccompanied (2 year Deployment)

Band Level	Proposed Single Determination	Det 16/2007 Mission Comp	Det 20/2005 Capacity Building	Benchmark Agency – DFAT	Benchmark Agency - AusAID
5.3	\$171,320	\$270,247	\$302,483	\$153,374	\$156,449
7.3	\$201,777	\$302,945	\$346,287	\$174,089	\$177,164
8.3	\$215,696	\$321,762	\$371,495	\$186,010	\$189,085
EL	\$231,736	\$397,333	\$472,736	\$198,809	\$201,884





Example E3 : TIMOR Accompanied (2 year Deployment with a spouse and 2 dependants)

Band Level	Proposed Single Determination	Det 20/2005 Capacity Building	Benchmark Agency – DFAT	Benchmark Agency - AusAID
5.3	\$227,011	\$266,427	\$219,224	\$221,289
7.3	\$248,511	\$310,509	\$241,904	\$243,434
8.3	\$260,882	\$335,876	\$254,956	\$256,177
EL	\$276,923	\$417,568	\$268,968	\$269,858

Example F: PNG

Example F1 : PNG Unaccompanied (2 year Deployment)

Band Level	Proposed Single Determination	Det 16/2007 Mission Comp	Det 20/2005 Capacity Building	Benchmark Agency – DFAT	Benchmark Agency - AusAID
5.3	\$186,950	\$185,830	\$227,145	\$163,345	\$166,420
7.3	\$219,055	\$215,392	\$265,071	\$186,597	\$189,672
8.3	\$234,283	\$232,403	\$286,896	\$199,977	\$203,052
EL	\$256,203	\$300,724	\$374,550	\$214,342	\$217,417

Example F2 : PNG Accompanied (2 year Deployment with a spouse and 2 dependants)

Band Level	Proposed Single Determination	Det 20/2005 Capacity Building	Benchmark Agency – DFAT	Benchmark Agency - AusAID
5.3	\$245,385	\$260,902	\$231,817	\$233,882
7.3	\$269,428	\$303,192	\$257,033	\$258,562
8.3	\$283,264	\$327,529	\$271,544	\$272,765
EL	\$305,184	\$405,081	\$287,123	\$288,013

Example F3 : PNG Accompanied (2 year Deployment with a spouse and 2 dependants in Australia)

Band Level	Proposed Single Determination	Det 16/2007 Mission Comp	Det 20/2005 Capacity Building	Benchmark Agency – DFAT	Benchmark Agency - AusAID
5.3	\$241,313	N/A	\$264,974	\$244,033	\$246,098
7.3	\$264,375	N/A	\$307,264	\$269,249	\$270,778
8.3	\$278,211	N/A	\$331,601	\$283,760	\$284,981
EL	\$300,132	N/A	\$409,153	\$299,339	\$300,229





### Example G: Afghanistan

#### Example G1 : Afghanistan Unaccompanied (12 month deployment with special circumstances)

Band Level	Proposed Single Determination	Det 6/2007 Afghanistan	Benchmark Agency – DFAT	Benchmark Agency - AusAID
5.3	\$251,050	\$279,773	\$248,211	\$251,286
7.3	\$293,991	\$313,612	\$268,926	\$272,001
8.3	\$314,501	\$333,084	\$280,847	\$283,922
EL	\$350,481	\$411,292	\$293,646	\$296,721

Special circumstances in Single Determination – 50% additional allowance, additional 51 days leave. DFAT/AusAID – provide a special location payment of \$89,289. Payment is still substantial, but less than current determination. Consideration may also be given to the amount of additional leave provided for these deployments, subject to wellbeing considerations, is not in line with current benchmarked agencies (though work undertaken may have a higher risk attached).

### Example H: SRG Comparisons

#### Example H1 : SRG RAMSI Unaccompanied (2 year Deployment)

Band Level	Proposed Single Determination	Det 8/2007 ORG	Benchmark Agency – DFAT	Benchmark Agency - AusAID
5.3	\$169,648	\$217,163	\$153,880	\$156,955
7.3	\$199,210	\$256,681	\$175,274	\$178,349
8.3	\$212,974	\$275,239	\$187,586	\$190,661
EL	\$231,253	\$349,771	\$200,804	\$203,879

Note – no special consideration payment included in Single Determination for SRG officers.





## Location Specific Comparisons of the Proposed Single Determination

To provide context around the differentiation of benefit to the employee under the proposed single determination, following are a number of comparative tables that demonstrate also the difference of a tax exempt posting as compared with a taxed posting – in terms of the benefit to the member.

### 5.3 – Unaccompanied Officer Single Determination Location Comparison

Location	Proposed Single Det -Taxed	Proposed Single Det -Tax Free
Afghanistan*	N/A	251,050
Bali	130,650	158,960
Bangkok	126,616	155,137
Beijing	131,225	159,535
Beirut	126,866	155,387
Belgrade	136,221	164,531
Bogata	135,337	163,646
Cambodia	136,101	164,199
Colombo	137,164	165,262
Cook Islands	139,129	167,087
Cyprus	121,389	150,121
Dhaka	152,244	179,839
Dubai	126,862	155,383
Guangzhou	130,597	158,907
Hanoi	133,350	161,660
Ho Chi Minh City	131,177	159,487
Hong Kong	122,208	150,924
Islamabad	142,395	170,282
Jakarta	136,364	164,462
Kiribati	152,790	180,271
Kuala Lumpur	126,731	155,252
London	111,463	140,619





Location	Proposed Single Det -Taxed	Proposed Single Det -Tax Free
Los Angeles	113,894	143,050
Lyon	116,192	145,259
Manila	133,087	161,396
Nauru	132,531	160,841
New Dehli	136,664	164,762
New York	114,262	143,414
Niue	132,390	160,699
Palau	134,459	162,769
Phnom Pehn	139,263	167,361
Pohnpei	133,431	161,740
Port Moresby/PNG*	151,239	186,950
Pretoria	129,318	157,839
Rangoon	143,508	171,394
Republic Marshall Islands	132,531	160,841
Samoa	130,643	158,952
Semarang	138,771	166,869
Singapore	127,850	156,299
Solomon Islands	141,302	169,239
Sudan*	148,153	200,740
Suva	131,512	159,822
The Hague	113,275	142,389
Timor Leste*	140,695	171,320
Tonga	130,607	158,917
Tuvalu	138,053	166,151
Vanuatu	146,232	173,890
Washington	114,309	143,465





## 7.3 – Unaccompanied Officer Single Determination Location Comparison

Location	Proposed Single Det -Taxed	Proposed Single Det -Tax Free
Afghanistan*	N/A	293,991
Bali	152,636	187,625
Bangkok	147,667	182,907
Beijing	153,211	188,201
Beirut	147,917	183,157
Belgrade	158,207	193,196
Bogata	157,323	192,312
Cambodia	159,022	193,761
Colombo	160,084	194,823
Cook Islands	162,666	197,240
Cyprus	141,506	176,996
Dhaka	177,388	211,532
Dubai	147,913	183,153
Guangzhou	152,583	187,572
Hanoi	155,336	190,325
Ho Chi Minh City	153,163	188,153
Hong Kong	142,401	177,870
Islamabad	166,250	200,739
Jakarta	159,284	194,024
Kiribati	178,438	212,448
Kuala Lumpur	147,782	183,022
London	129,712	165,701
Los Angeles	132,143	168,132
Lyon	134,833	170,717
Manila	155,073	190,062





Location	Proposed Single Det -Taxed	Proposed Single Det -Tax Free
Nauru	154,517	189,507
New Dehli	159,585	194,324
New York	132,530	168,514
Niue	154,376	189,365
Palau	156,445	191,435
Phnom Pehn	162,183	196,923
Pohnpei	155,417	190,406
Port Moresby/PNG*	176,813	219,055
Pretoria	150,369	185,609
Rangoon	167,362	201,852
Republic Marshall Islands	154,517	189,507
Samoa	152,629	187,618
Semarang	161,691	196,431
Singapore	149,220	184,374
Solomon Islands	164,932	199,482
Sudan*	172,008	234,193
Suva	153,498	188,488
The Hague	131,711	167,651
Timor Leste*	164,550	201,777
Tonga	152,593	187,582
Tuvalu	160,973	195,713
Vanuatu	171,096	205,315
Washington	132,558	169,547





## 8.3 -Unaccompanied Officer Single Determination Location Comparison

Location	Proposed Single Det -Taxed	Proposed Single Det -Tax Free
Afghanistan*	N/A	314,501
Bali	162,278	201,235
Bangkok	157,148	196,362
Beijing	162,853	201,811
Beirut	157,398	196,612
Belgrade	167,849	206,806
Bogata	166,964	205,922
Cambodia	168,825	207,525
Colombo	169,887	208,588
Cook Islands	173,576	212,066
Cyprus	150,825	190,296
Dhaka	188,094	226,163
Dubai	157,394	196,608
Guangzhou	162,225	201,182
Hanoi	164,978	203,935
Ho Chi Minh City	162,805	201,763
Hong Kong	151,763	191,212
Islamabad	176,214	214,658
Jakarta	169,087	297,788
Kiribati	189,812	227,718
Kuala Lumpur	157,263	196,477
London	138,709	178,693
Los Angeles	141,140	181,124
Lyon	144,055	183,925
Manila	164,715	203,672





Location	Proposed Single Det -Taxed	Proposed Single Det -Tax Free
Nauru	164,159	203,117
New Dehli	169,388	208,088
New York	141,537	181,515
Niue	174,017	202,975
Palau	166,087	205,045
Phnom Pehn	171,987	210,687
Pohnpei	165,058	204,016
Port Moresby/PNG*	188,143	234,283
Pretoria	159,850	199,064
Rangoon	177,327	215,771
Republic Marshall Islands	164,159	203,117
Samoa	162,270	201,228
Semarang	171,495	210,195
Singapore	159,259	198,365
Solomon Islands	175,144	213,638
Sudan*	181,972	249,835
Suva	163,140	202,097
The Hague	140,815	180,745
Timor Leste*	174,514	215,696
Tonga	162,235	201,192
Tuvalu	170,776	209,477
Vanuatu	182,393	220,512
Washington	141,555	181,539





## 9.5 – Unaccompanied Officer Single Determination Location Comparison

Location	Proposed Single Det -Taxed	Proposed Single Det -Tax Free
Afghanistan*	N/A	350,481
Bali	173,106	217,277
Bangkok	167,876	212,403
Beijing	173,681	217,852
Beirut	168,227	212,653
Belgrade	178,677	222,847
Bogata	177,792	221,963
Cambodia	179,653	223,567
Colombo	180,715	225,629
Cook Islands	190,148	233,615
Cyprus	161,653	206,337
Dhaka	201,902	245,061
Dubai	168,222	212,649
Guangzhou	173,053	217,224
Hanoi	175,806	219,977
Ho Chi Minh City	173,633	217,804
Hong Kong	162,764	207,419
Islamabad	187,042	230,699
Jakarta	179,915	223,829
Kiribati	206,944	249,804
Kuala Lumpur	168,091	212,518
London	149,537	194,734
Los Angeles	151,968	197,165
Lyon	155,790	200,836
Manila	175,543	219,713





Location	Proposed Single Det -Taxed	Proposed Single Det -Tax Free
Nauru	174,987	219,158
New Dehli	180,216	224,130
New York	152,408	197,598
Niue	174,845	219,016
Palau	176,915	221,086
Phnom Pehn	182,814	226,729
Pohnpei	175,886	228,057
Port Moresby/PNG*	205,103	256,203
Pretoria	170,678	215,105
Rangoon	188,155	231,812
Republic Marshall Islands	174,987	219,158
Samoa	173,098	217,269
Semarang	182,322	226,237
Singapore	172,980	217,181
Solomon Islands	187,613	231,253
Sudan*	192,800	272,799
Suva	173,968	218,139
The Hague	152,075	197,200
Timor Leste*	185,342	231,736
Tonga	173,063	217,233
Tuvalu	181,604	225,518
Vanuatu	199,872	242,931
Washington	152,383	197,580





## 5.3 – Accompanied Officer Single Determination Location Comparison

Location	Proposed Single Det -Taxed	Proposed Single Det -Tax Free
Afghanistan*	N/A	N/A
Bali	182,477	210,273
Bangkok	181,764	203,772
Beijing	184,778	215,575
Beirut	182,764	210,772
Belgrade	204,760	232,556
Bogata	201,223	229,019
Cambodia	188,856	216,441
Colombo	193,105	220,690
Cook Islands	190,786	218,231
Cyprus	176,283	204,502
Dhaka	216,715	243,796
Dubai	182,748	210,756
Guangzhou	182,265	210,061
Hanoi	193,277	221,073
Ho Chi Minh City	184,586	212,382
Hong Kong	178,328	206,530
Islamabad	198,606	225,979
Jakarta	189,907	217,492
Kiribati	210,569	237,536
Kuala Lumpur	182,224	210,232
London	167,431	196,073
Los Angeles	177,155	205,797
Lyon	179,866	208,420
Manila	192,223	229,929





Location	Proposed Single Det -Taxed	Proposed Single Det -Tax Free
Nauru	109,002	217,799
New Dehli	191,108	218,693
New York	178,318	206,956
Niue	189,435	217,231
Palau	197,714	225,511
Phnom Pehn	201,503	229,088
Pohnpei	193,599	221,395
Port Moresby/PNG*	205,599	240,800
Pretoria	192,572	220,580
Rangoon	203,057	230,430
Republic Marshall Islands	190,002	217,799
Samoa	182,447	210,243
Semarang	199,535	227,120
Singapore	181,458	209,394
Solomon Islands	197,936	225,360
Sudan*	N/A	N/A
Suva	185,926	213,722
The Hague	171,595	200,196
Timor Leste*	191,806	221,917
Tonga	182,304	210,101
Tuvalu	196,663	224,248
Vanuatu	197,294	224,439
Washington	178,815	207,457



## 7.3 – Accompanied Officer Single Determination Location Comparison

Location	Proposed Single Det -Taxed	Proposed Single Det -Tax Free
Afghanistan*	N/A	N/A
Bali	204,463	238,939
Bangkok	202,816	237,542
Beijing	206,764	241,240
Beirut	203,816	238,542
Belgrade	226,746	261,222
Bogata	223,209	257,685
Cambodia	211,776	246,002
Colombo	216,025	250,252
Cook Islands	214,323	248,384
Cyprus	196,400	231,376
Dhaka	241,859	275,490
Dubai	203,800	238,526
Guangzhou	204,250	238,727
Hanoi	215,263	249,739
Ho Chi Minh City	206,572	241,048
Hong Kong	198,520	233,476
Islamabad	222,460	256,437
Jakarta	212,827	247,053
Kiribati	236,218	269,714
Kuala Lumpur	203,276	238,002
London	185,680	221,156
Los Angeles	195,404	230,880
Lyon	198,508	233,879
Manila	214,209	248,685





Location	Proposed Single Det -Taxed	Proposed Single Det -Tax Free
Nauru	211,988	246,464
New Dehli	214,029	248,255
New York	196,585	232,057
Niue	211,421	245,897
Palau	219,700	254,176
Phnom Pehn	224,424	258,650
Pohnpei	215,585	250,061
Port Moresby/PNG*	231,173	272,906
Pretoria	213,624	248,350
Rangoon	226,911	260,887
Republic Marshall Islands	211,988	246,464
Samoa	204,433	238,909
Semarang	222,456	256,682
Singapore	202,827	237,468
Solomon Islands	221,566	255,602
Sudan*	N/A	N/A
Suva	207,912	242,388
The Hague	190,031	225,457
Timor Leste*	215,660	252,375
Tonga	204,290	238,766
Tuvalu	219,583	253,809
Vanuatu	222,158	255,864
Washington	197,064	232,540



## 8.3 – Accompanied Officer Single Determination Location Comparison

Location	Proposed Single Det -Taxed	Proposed Single Det -Tax Free
Afghanistan*	N/A	N/A
Bali	214,105	252,549
Bangkok	212,297	250,997
Beijing	216,406	254,850
Beirut	213,297	251,997
Belgrade	236,388	274,832
Bogata	232,851	271,295
Cambodia	221,580	259,767
Colombo	225,829	264,016
Cook Islands	225,233	263,210
Cyprus	205,719	244,677
Dhaka	252,565	290,120
Dubai	213,281	251,981
Guangzhou	213,892	252,336
Hanoi	224,905	263,349
Ho Chi Minh City	216,214	254,658
Hong Kong	207,882	246,818
Islamabad	232,425	270,356
Jakarta	222,631	260,818
Kiribati	247,591	284,983
Kuala Lumpur	212,757	251,457
London	194,676	234,147
Los Angeles	204,400	243,871
Lyon	207,730	247,087
Manila	223,851	262,295





Location	Proposed Single Det -Taxed	Proposed Single Det -Tax Free
Nauru	221,630	260,074
New Dehli	223,832	262,019
New York	205,593	245,058
Niue	221,063	259,507
Palau	229,342	267,786
Phnom Pehn	234,227	272,414
Pohnpei	225,227	263,671
Port Moresby/PNG*	242,503	288,134
Pretoria	223,105	261,805
Rangoon	236,876	274,807
Republic Marshall Islands	221,630	260,074
Samoa	214,075	252,519
Semarang	232,259	270,446
Singapore	212,867	251,460
Solomon Islands	231,778	269,763
Sudan*	N/A	N/A
Suva	217,554	255,998
The Hague	199,135	238,551
Timor Leste*	225,625	266,293
Tonga	213,932	252,376
Tuvalu	229,387	267,574
Vanuatu	233,455	271,061
Washington	206,060	245,531



## 9.5 – Accompanied Officer Single Determination Location Comparison

Location	Proposed Single Det -Taxed	Proposed Single Det -Tax Free
Afghanistan*	N/A	N/A
Bali	224,933	268,590
Bangkok	223,125	267,039
Beijing	227,234	270,891
Beirut	224,124	268,039
Belgrade	247,216	290,873
Bogata	243,679	287,336
Cambodia	232,407	275,808
Colombo	236,657	280,057
Cook Islands	241,805	284,759
Cyprus	216,547	260,718
Dhaka	266,373	309,019
Dubai	224,109	268,023
Guangzhou	224,720	268,378
Hanoi	235,733	279,390
Ho Chi Minh City	227,042	270,699
Hong Kong	218,883	263,025
Islamabad	243,253	286,397
Jakarta	233,458	276,859
Kiribati	264,724	307,070
Kuala Lumpur	223,585	267,499
London	205,504	250,188
Los Angeles	215,228	259,912
Lyon	219,465	263,997
Manila	234,679	278,337





Location	Proposed Single Det -Taxed	Proposed Single Det -Tax Free
Nauru	232,458	276,115
New Dehli	234,660	278,060
New York	216,464	261,141
Niue	231,891	275,548
Palau	240,170	283,827
Phnom Pehn	245,055	288,455
Pohnpei	236,055	279,712
Port Moresby/PNG*	259,463	310,054
Pretoria	233,933	277,847
Rangoon	247,704	290,848
Republic Marshall Islands	232,458	276,115
Samoa	224,903	268,560
Semarang	243,087	286,488
Singapore	226,588	270,275
Solomon Islands	244,247	287,377
Sudan*	N/A	N/A
Suva	228,382	272,039
The Hague	210,395	255,007
Timor Leste*	236,453	282,334
Tonga	224,760	268,418
Tuvalu	240,215	283,615
Vanuatu	250,934	293,479
Washington	216,888	261,572



## Meeting the Single Determination Project Objectives

As outlined in the background of this paper, there were a number of key considerations in developing the proposed Single Overseas Determination. Each key focus area has been addressed in the single determination review process, with a summary as follows:

### Primary Objectives

#### Consistency and Parity

*Requirement: consistency and parity of core terms and conditions applicable to deployments of all AFP business areas and also between the AFP and external Government Agencies; including documented, agreed and defensible variations where appropriate.*

This project identified and included benchmarked agencies, including DFAT, DIAC, Austrade, AusAID and Customs. The development of a single determination for all AFP deployments, consistent with the benchmarked agencies, and the details provided within this report address this objective.

#### Transparency

*Requirement: A clear rationale of what is being paid for and why, and the mechanisms by which to achieve this. This is critical in a funding sense with the Department of Finance and Deregulation (DoFD) looking for justification for costs of overseas postings and applying whole of government benchmarking to New Policy Proposals. The AFP requires assurance that it is likely to receive adequate funding for overseas initiatives.*

This document and the underlying activity that underpins the recommended determination provides a clearly identifiable and defensible position for the AFP.

#### Simplification

*Requirement: a concise and usable determination that provides all employment terms and conditions for an overseas deployed employee, which is simple for employees and the AFP to use and understand.*

Where appropriate and possible, this process has sought to combine and simplify allowances, including payment processes. The accompanying models and ready reckoner spread sheets will assist in this clear understanding.

#### Rationalisation

*Requirement: To provide an opportunity and context for review of the administration of overseas determinations*

The simplification of many allowances, and more importantly the standardisation, is expected to allow for administrative efficiencies once implemented.

#### Flexibility

*Requirement: an instrument that can be easily updated or amended when the AFP deploys to new regions*

The adoption where possible of externally accountable location specific elements, such as the COLA and ECA ratings provide a clearly defensible and easy to amend determination. The inclusion of a special considerations element will ensure that the determination is future proofed for unknown future posting requirements.

### Additional Objectives

Other considerations included:





## Suitability

*Requirement: The determination must provide a framework that supports the business activities of both the International and IDG business areas of the AFP. The determination must provide terms and conditions that meet the needs of AFP members deployed overseas.*

The greatest effort has supported the development of a single determination that meets the needs of both IDG and International. It has been identified that the taxation treatment and the operating environment are the two main factors distinguishing the two areas. We are of the view that there has been minimal compromise to meet the two areas requirements.

## Affordability

*Requirement: The instrument cannot be more expensive to the AFP than the existing suite of determinations. To that end, the consultancy must provide robust modelling of the likely cost to the AFP of the proposed instrument, as this will be key to any decision to progress to implementation. The AFP will require summary materials for decision making and for both internal and external communication purposes.*

Our modelling has been completed on an example basis, not a full costing, as to do so would require up to date and clearly identified intentions of future deployments. Our analysis has identified that there are significant savings to be borne from the IDG determinations, through appropriate treatment of taxation of allowances. The international determination will not achieve material savings, however administrative efficiencies are likely to be achieved. The new determination is consistent with benchmarked agencies and provides a clear and consistent application across the AFP.

With respect to the savings from IDG determinations, these will not be benefiting the AFP bottom line over the longer term as the replacement of the NPP funding of overseas missions will take into account the new operating cost base. However a more efficient determination will provide for greater capacity in pricing future deployments.

## Impact on personnel

*Requirement: The consultancy must consider the impact on the individual, as this will form part of the decision of the AFP to implement. There may be variations in this impact by country; existing determination and/or level of AFP employee. The AFP must have a single determination that remunerates employees fairly for the varying work they perform in vast geographic locations and conditions. The consultancy must provide the AFP with appropriate materials to communicate with employees and their nominated representatives, including the AFPA and CPSU.*

The impact (financial) on individuals under IDG deployments will be significant, particularly where there have been substantial financial benefits under current determinations. The transitional elements attached to the implementation of the determination will appropriately consider these disadvantages. The alignment of these determinations under the Single Overseas Determination will also be countered through IDG expressions that officers unhappy with the new arrangements will be able to opt to return to Australia. The implementation date of 1 July 2013 will also provide sufficient time to adapt to the new financial arrangements. This report identifies and responds to all the known issues that may present themselves through communication with the AFPA, CPSU and AFP members more directly.

## Administration and Management

*Requirement: The consultancy must advise on any opportunity for rationalisation of the administration of the single determination; it must also consider and advise on other corporate implications; such as FBT and taxation implications for the AFP and for the individuals; repatriation to Australia and the circumstances of integration with the AFP's Enterprise Agreement 2012-2016 and the Executive Level Enterprise Agreement 2011-2015 as well as SES agreements.*

- Considerations regarding whether employees of any class, incrementing through pay levels (as defined in the Enterprise Agreements) while deployed overseas.
- Other repatriation arrangements.
- Higher Duties Allowance (HDA) while deployed.





- Leave (all leave types) and treatment of unused leave accrued on deployment.
- Absences from deployment.
- Termination of deployment

*The consultancy should provide considerations and flag areas for consideration with regard to the upcoming IDG IFS review.*

The simplification of the determinations already in place will provide a vastly simpler determination to manage. Further, the simplification of allowances will promote administrative efficiencies. Our recommendation that the base salary elements mirror Australian Employment agreements will ensure simpler reintegration to AFP Australian based operations and the conclusion of the posting. Leave is clearly identified in this report and the proposed determination to account for the unique areas surrounding tax treatment in tax exempt locations.

### Whole of Government

*Requirement: In the design and development of the single determination, the consultancy must benchmark the AFP against other Government organisations that deploy members to overseas locations. This will include, but is not limited to: AusAID; the Department of Defence and the Department of Foreign Affairs and Trade. Where the recommended AFP approach varies from that of other Government organisations, the consultancy should document and agree with the AFP a robust evidence-based business case that the AFP can use to explain and justify its position to external stakeholders.*

Through the benchmarked activity, we are able to demonstrate that the AFP will not over compensate overseas posted officers under the single determination. This report serves as strong justification for the proposed single overseas determination. Whole of Government issues include the treatment of tax exempt locations, and this has been explicitly dealt with under this determination.

### Funding

*Requirement: The consultancy must research and report to AFP the funding implications in the 2012-13 financial year and future years of the proposed single determination; including: financial exposure of any gap between IFS Funding and NPP funding under the single determination; Impact on the AFP's Official Development Assistance (ODA) and reporting to AusAID and Government; implications of DoFD not accepting variations from or excess over whole of government benchmarks.*

The proposed determination provides for a lower cost deployment model in respect to tax exempt locations, which is the substantial majority of the IDG deployments. The allowances are eminently defensible in respect to benchmarked agencies and applies internal consistency within the AFP. With respect to the IFS elements, the single overseas determination only deals with overseas elements (ie the elements paid for over and above the IFS component) and will therefore have no impact on the cost of the IFS component of the IDG.

### Transitional arrangements

*Requirement: the consultancy should consider transitional provisions for members deployed overseas as at the implementation date.*

Transitional arrangements are ultimately the responsibility of the AFP, however this report addresses key issues that require consideration.

### Main features of the determination:

*Requirement: The AFP anticipate a simplified determination consisting standard core terms and conditions and Salary level, Overseas allowance, Post specific allowance, Cost of Living Allowance (COLA); and Travel allowance.*

The proposed single overseas determination seeks to apply a simplified determination, yet still account for all the elements present to members and the AFP in respect to overseas deployments.





## Appendices

Appendices include:

- Existing Determinations,
- Existing Enterprise Agreements
- Benchmark Determinations
- Steering Committee Minutes

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