



Australian Government
AusAID



Review of terms and conditions for Australian Government officials deployed as advisers under the Australian Aid Program

September 2011

Contents

Contents	2
1 Overview	4
2 Background	6
3 Scope and Conduct of the Review	8
4 Findings	10
Overseas Conditions of Service	10
Funding and Classification of APS Adviser Positions	12
5 Recommendations	14
6 Conclusion	19
Definitions	21
Attachment A: APS Advisers by agency and program	22
Attachment B: Terms of Reference	23
Review of terms and conditions of employment for Australian officials deployed as advisers under the Australian aid program	23
Attachment C: Comparison of AusAID and APS Conditions of Service	25
1 Overview	4
2 Background	6
3 Scope and Conduct of the Review	8
4 Findings	10
Overseas Conditions of Service	10
Funding and Classification of APS Adviser Positions	12

5 Recommendations	14
6 Conclusion	19
Definitions	21
Attachment A: APS Advisers by agency and program	22
Attachment B: Terms of Reference	23
Attachment C: Comparison of AusAID and APS Conditions of Service	25

1 Overview

The Australian Agency for International Development (AusAID) manages Australia's development assistance program and is accountable to the Minister for Foreign Affairs and the Parliament for ensuring that Australian aid is delivered effectively and in a manner which demonstrates value for money.

Technical advice is an important part of Australia's development assistance program. Advisers deployed under Australia's aid program have made an important contribution to actions by partner governments to advance economic reform, strengthen law and order and improve the delivery of health and education services. Adviser costs also represent a significant investment of resources and must stand up to the highest standards of scrutiny in terms of value for money and effectiveness.

The Australian Government has committed to demonstrating the effectiveness and value for money of Australia's aid program. On 11 May 2010 the Minister for Foreign Affairs commissioned the Joint Adviser Review which examined the effectiveness of all adviser roles funded by the Australian aid program. The Joint Adviser Review reported on 15 February 2011 and will phase out over one quarter of the 952 adviser positions over the next 2 years, including a decrease of 9 Australian Public Service (APS) advisers jointly assessed as low priority with host governments. As a consequence of the review, AusAID established the Adviser Remuneration Framework which specifies salary ranges and allowances for long and short-term commercially contracted advisers.

On 22 February 2011, the Minister for Foreign Affairs directed AusAID to review the terms and conditions of APS officials deployed as advisers under Australia's aid program. The review aims to standardise conditions of service for Australian public servants deployed as advisers under the aid program. The primary focus of the review is the three programs that together comprise the bulk of APS deployments - the Strongim Gavman Program in PNG, the Regional Assistance Mission to Solomon Islands and the Government Partnership Fund in Indonesia. However, the review also considered arrangements for missions in other developing countries.

The review aimed to achieve:

Standard terms and conditions of service for APS employees deployed overseas as advisers under Australia's aid program.

Greater consistency with terms and conditions provided to other public servants posted overseas on long-term assignments from other government departments/agencies, including

AusAID, recognising the difficult environment that deployees on whole of government assignments are required to work within.

A standard approach to AusAID funding of adviser positions, including an assessment of position classifications and work level standards.

Following consultation with agencies, the review proposes seven recommendations to achieve these objectives:

Recommendation 1: Adopt the AusAID Overseas Conditions of Service (OCOS) policy as the standard conditions of service package for all APS advisers engaged under the aid program

Recommendation 2: Adopt a common arrangement for leave fares

Recommendation 3: Adopt a common arrangement for the payment of Special Location Supplement

Recommendation 4: Access to vehicles for non-SES officers will be assessed on program requirements and subject to an employee contribution

Recommendation 5: Adviser positions should be classified against APS work level standards and classification rules

Recommendation 6: Changes to overseas conditions of services as a consequence of this review be managed through transition arrangements which do not disadvantage current deployees

Recommendation 7: Funding from the aid budget should be restricted to those terms and conditions of service proposed under this review

It is estimated that annual savings of approximately \$1.5 million per annum will be realised when the new conditions of service package is fully implemented. This will be achieved by ensuring that salaries for advisers are in accordance with the APS classification of the position occupied, through the reduction of fare entitlements and allowances and the requirement for officers to make a contribution for personal use of official vehicles.

2 Background

Technical advice is an important part of Australia's development assistance program. Advisers deployed under Australia's aid program have made an important contribution to actions by partner governments to advance economic reform, strengthen law and order and improve the delivery of health and education services. The majority of advisers under Australia's aid program are drawn from the private consultant market.

Since 2004 the Australian Government has deployed APS advisers to high priority adviser roles, as part of a whole of government approach to supplementing and building capacity of institutions in partner countries such as PNG, Solomon Islands, Indonesia and Nauru. In each of these cases, the Australian Government's objective has been to support improvements in institutional capacity and services, through deployment of senior and experienced public sector professionals, supported by institutional partnerships. The whole of government approach has also brought greater coordination and coherence to Australia's efforts and policy objectives. Advisers from APS agencies have been deployed in host government offices through the Strongim Gavman Program (SGP) in Papua New Guinea (previously the Enhanced Cooperation Program (ECP), the Regional Assistance Mission to Solomon Islands (RAMSI), Government Partnership Fund (GPF) in Indonesia and the Economic Advice and Governance Assistance Program (EAGAP)¹ in Nauru.

APS advisers remain employees of their 'home' agencies while on deployment, with salaries determined under enterprise level arrangements. Overseas conditions of service are determined by AusAID in consultation with agencies. Home agencies retain responsibilities for duty of care for deployees, including with respect to security and occupational health and safety. AusAID reimburses the full cost of an adviser's entitlements to home agencies on a regular basis. There are 63 advisers from 11 different APS agencies deployed as members of SGP, RAMSI and GPF. AusAID also deploys its own staff as program managers and advisers in non-diplomatic roles classified as Development Program Specialists (DPS). Of AusAID's 67 DPS officers, 16 positions are currently co-located with host government offices in similar circumstances to that of APS advisers. In some cases APS advisers have been temporarily transferred to AusAID for the duration of their deployment, on the same terms and conditions as those paid to AusAID DPS staff. A summary of APS advisers engaged under the aid program, broken down by agency and by country, is at [Attachment A](#).

¹ No officials have been deployed to EAGAP since 2010.

Over time the nature of deployments, work environment and living arrangements has changed, but conditions of service have not been varied. Initial deployments in Papua New Guinea (ECP), Solomon Islands (RAMSI) and Indonesia (GPF) were in many cases in response to urgent requirements to mobilise due to political instability, humanitarian crises or to implement new partnership commitments. The Australian Government's objective was to deploy advisers within short timeframes, drawing on expertise from agencies which did not traditionally manage roles based overseas. In some cases, advisers were deployed to environments where security, communications, health issues and/or accommodation arrangements were unclear. Due to these factors, under the early phase of Australia's deployment of officials as advisers, many roles were unaccompanied which for some officers meant leaving families in Australia. A package of terms and conditions was developed by AusAID and agreed with agencies which recognised these circumstances. A set of *Guidelines for the Deployment of Whole of Government Officials to Work on Australian Overseas Aid Activities* (the Whole of Government Guidelines) was developed in August 2007. It was broadly based on the DFAT/AusAID policy but a number of additional conditions were included to cover what were considered to be the additional hardships faced by advisers in comparison to other posted APS employees working in official missions and living in Australian government managed housing.

Since the commencement of whole of government adviser deployments in 2004, there have been many improvements in living and working arrangements.

Residential housing and security is now more established and families are permitted to accompany employees on posting. In June 2007, an Australian National Audit Office review of the RAMSI program identified the disparity in conditions of service between advisers and other Australian government employees and contractors at post as a source of tension, indicating that the reasons that may have been behind the more attractive package for advisers as less relevant due to improvements in living conditions in the Solomon Islands. AusAID worked with home agencies in 2009 with a view to standardising terms and conditions of service for advisers, modelling a new package on the existing AusAID DPS package. However changes introduced by the *Australian Government Employment Bargaining Framework* complicated implementation and to date only one agency has deployed an adviser under a conditions of service package based on the AusAID DPS policy

3 Scope and Conduct of the Review

Scope of the review. The review is confined to employees covered under the *Public Service Act 1999*. The review did not include advisers on short term deployments of up to six months duration. It did not include the Australian Federal Police (AFP) whose terms and conditions are in accordance with the *Federal Police Act of 1979*.

Consultation. The review was conducted by AusAID, and led by the Deputy Director General, Asia Pacific and Program Enabling Group, AusAID, supported by the Human Resources Branch. AusAID consulted with agencies through a meeting of senior representatives on 12 April 2011. Agencies endorsed the Terms of Reference at [Attachment B](#). A working group was convened to consider issues relevant to the review, chaired by AusAID and including representatives from 9 of the 11 agencies currently participating in AusAID funded programs. The working group met twice on 17 May and 25 May and conducted business via email correspondence on other occasions. Agencies that participated in the review were:

- The Treasury
- Finance and Deregulation
- Australian Office of Financial Management
- Infrastructure and Transport
- Immigration and Citizenship
- Customs
- Australian Tax Office
- Attorney Generals
- Australian National Audit Office

The draft findings of the review were circulated to agencies for further comment on 25 July.

Overseas Conditions of Service. The working group was provided with information on the conditions of service policies of four of the major overseas operating agencies (AusAID, DFAT, DIAC and Customs). These were then assessed against the 2007 Whole of Government Guidelines. The working group noted the differences in the packages and made some recommendations on how the difficulties faced by advisers could be reflected in a package that is more consistent with conditions of service provided to posted officials of other agencies.

Funding and classification of adviser positions. To examine the way AusAID funds adviser positions, advice was sought from agencies on the methods used to classify

and recruit to adviser positions. Special attention was given to situations where positions were not filled by applicants at level or where successful applicants were paid salaries above the salary range applicable to the level of the position in accordance with the relevant agency enterprise agreement.

Transitional arrangements. The working group examined possible transitional arrangements for advisers on deployment, or selected for deployment, prior to the introduction of the new standardised overseas conditions of service package.

4 Findings

Overseas Conditions of Service

Significant variations have emerged in agencies' overseas conditions of service policies. DFAT's overseas conditions of service arrangements provide a common benchmark for agencies' own policies. DFAT is the lead agency in terms of Australia's overseas representation and has taken a lead role on the setting of overseas conditions of service for APS employees. The review showed that although the terms and conditions policies of all of the large overseas operating agencies (DIAC, Customs, AFP, AusAID and Austrade) were largely based on the DFAT policy, there are differences. Agencies have made variations to the DFAT package to suit individual business needs, negotiated through enterprise agreements and subordinate policies. Excluding the aid-funded whole of government programs there are 14 other APS agencies/departments with smaller numbers of employees working on long term postings overseas. These agencies engage DFAT to administer conditions of service for their employees, including the payment of salaries and allowances. Although the salaries differ according to agencies' Enterprise Agreements or Senior Executive Employment frameworks all of these officials are paid allowances and other benefits in accordance with the DFAT overseas conditions of service package. It is noted that these employees work within Australian missions overseas.

The Whole of Government Guidelines do not adequately address the full range of conditions and entitlements for overseas service. The review identified that the Guidelines do not address provisions for 18 of 56 conditions of service addressed in the policies of other agencies. In circumstances where this has been found to disadvantage APS officials deployed as advisers under the aid program, AusAID has applied its own Overseas Conditions of Service (OCOS) policy (for example, with respect to medical evacuation entitlements on childbirth). [Attachment C](#) describes the most significant differences between the OCOS and the Whole of Government Guidelines and includes an assessment of whether advisers are comparatively advantaged or disadvantaged as a result.

The most significant variations in conditions of service for advisers relate to leave fares, use of vehicles and payment of Special Local Supplement. For these elements, advisers enjoy significantly higher entitlements than other Australian officials working overseas, including AusAID DPS advisers working in similar circumstances – that is, co-located with partner government agencies outside the chanceries. Agencies contributing officials as advisers under the aid program emphasised that enhanced entitlements have assisted in managing occupational health and safety and security issues which arise for advisers working outside chanceries.

Leave Fares: Significant differences exist in entitlements for leave fares for employees (and accompanying family members) of different agencies in those locations where advisers are deployed. These differences are outlined in Table 1.

Table 1: Leave Fare Entitlements

Country	2 year posting	3 year posting
Papua New Guinea		
APS advisers (SGP) ²	12	18
AusAID (DPS employees in regional centres)	3	5
AusAID (DPS employees in capital cities and chancery staff)	1	2
DFAT	1	2
DIAC	3	5
Solomon Islands³		
APS advisers (RAMSI)	12	18
AusAID (DPS employees in capital cities and chancery staff)	1	2
DFAT	1	2
Indonesia		
APS advisers	1	2
AusAID (DPS employees in capital cities and chancery staff)	1	2
DFAT	1	2
DIAC	3	5

Special Location Supplement (SLS) is paid in circumstances where it is considered that the standard Hardship Allowance provided to employees in difficult posts is inadequate in the circumstances. SLS is paid as a percentage of the Hardship Allowance applicable at the post. It should be noted that the payment of SLS is subject to review at any time as conditions in the location change. In the majority of cases, decisions to introduce, amend or cease Special Location Supplement payments are made by DFAT after consideration of environmental and other factors at a locality. Other posting agencies, including AusAID, will generally follow DFAT in determining both eligibility and rates of payment. Table 2 outlines entitlements for Special Location Supplement

Table 2: Current Entitlements Special Location Supplement

	PNG	Solomon Islands	Indonesia
APS advisers	Nil	Nil	50% in Jakarta 75% in Regional Indonesia

² WoG advisers in Papua New Guinea receive the cashed-out equivalent of 6 leave fares per annum

³ DIAC has no employees posted to the Solomon Islands

AusAID	Nil in Port Moresby 30% in Regional PNG	Nil	Nil
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Access to a Government-provided Vehicle. The review recognised that working in host government offices will usually require the allocation of an official vehicle to the employee for work purposes. Furthermore, vehicles cannot be left at host government offices overnight as they are at Australian high commissions and embassies and require home garaging by the employee. Vehicles are available for private use outside of working hours. The review found that the majority of advisers are provided with an official vehicle for the duration of their deployment and have not been required to make a contribution in recognition of private use.

No other agency surveyed provides long term personal use of official vehicles free of charge to non-SES officers. Other agencies with chancery-based staff only allow the continuous use of official vehicles by posted employees in exceptional circumstances. If approval is given, a personal contribution is required. AusAID applies this policy to its staff, with a \$250 per month contribution required from employees granted continuous use of an official vehicle. For commercially-contracted advisers working under the aid program there is a similar requirement to pay a contribution towards the running costs of the vehicle of \$250 per month.

Funding and Classification of APS Adviser Positions

The review identified various methods used across programs to classify positions. All generally adhere to APS work level standards and classification rules in determining the level of seniority of positions. However, there remain some instances where employees are paid salary at rates that exceed the classification of the position they hold. The review found that of a total of the 63 adviser positions:

- 3 roles were filled by employees on a higher duties basis
- 12 were filled by employees who are receiving salary above the classification level for the position they hold (e.g. a substantive EL2 officer in an EL2 position but paid salary at SES Band 1 rates)
- 48 positions were filled at level.

Several agencies draw on individual flexibility agreements or higher duty arrangements to attract high quality officers for adviser roles. This is appropriate and routine practice for the APS. It is not uncommon for employees to be selected to fill positions on a higher duties basis if a suitable employee at the substantive level cannot be identified. If the employee is fulfilling the full duties of the higher position then payment of salary at the higher rate is justified. As advisers remain employees of their home agencies during deployment, agencies retain the right to negotiate a mutually agreeable remuneration package with employees in accordance with salary flexibility clauses contained in most enterprise agreements. A higher salary could be

negotiated in recognition of particular skills or additional responsibilities, or to meet certain operational requirements.

The review found several adviser positions are remunerated above actual classification of the adviser role. Some agencies reported that paying employees at rates above that of the classification of the overseas position was often the only way they could fill positions with appropriately skilled and experienced officials. This practice is inconsistent with policy for employment in the APS and at odds with an approach of remuneration based on work level standards. It may be the case that adviser roles are not clearly substantiated on work level standards and this has contributed to variance in practice by agencies.

5 Recommendations

In the 7 years since the whole of government package was introduced, there have been many improvements in conditions of service for advisers. Advisers may now choose to have family members accompany them on posting; permanent accommodation is provided; security upgrades have been effected and there is more reasonable lead time afforded to employees to prepare for deployment. In the circumstances the current package cannot be justified. However, AusAID recognises conditions are more difficult for employees working out of partner government offices. On this basis, the review has recommended advisers are provided with entitlements beyond standard conditions of service for AusAID and DFAT employees posted overseas and working within chanceries, on the same terms as non-diplomatic AusAID DPS officers working outside of chanceries.

The review recommends seven measures to standardise overseas conditions of service for officials deployed overseas as advisers under the aid program.

Recommendation 1: Adopt the AusAID Overseas Conditions of Service (OCOS) policy as the conditions of service package for all APS advisers

The review proposes that the AusAID Overseas Conditions of Service (OCOS) policy be adopted as the conditions of service package for all APS advisers, with entitlements standardised against the AusAID DPS package, as contained in the OCOS policy. This will establish a common and standard set of entitlements for all advisers and will be more administratively straightforward to manage. The OCOS policy is at [Attachment D](#).

By adopting the OCOS policy for future deployments of advisers (and for those currently on deployment who elect to move to the OCOS policy), variations to overseas conditions of service can be implemented quickly in response to changes in the overseas environment, including changes initiated by DFAT. This will also remove the gaps in policy coverage under the Whole of Government Guidelines. AusAID will consult with agencies on changes to conditions of service that impact on advisers.

Feedback from agencies: This recommendation is supported.

Recommendation 2: Adopt a common arrangement for leave fares

The standard leave fare entitlement for AusAID DPS employees posted overseas is one fare in a two-year posting and two fares in a three-year posting. AusAID DPS employees working in host government offices in regional centres are entitled to one leave fare per annum in

addition to the standard entitlement; that is, three fares in a two-year posting and five fares in a three-year posting.

The review recognised that advisers in PNG and Solomon Islands face similar challenges to AusAID DPS in regional centres in terms of difficult working conditions and isolation from corporate support. It is recommended that advisers in PNG and Solomon Islands receive one leave fare per year in addition to the standard conditions of service of an AusAID officer working in a chancery or annex. Elsewhere, the standard AusAID DPS package will continue to apply. Consistent with the welfare objective of additional leave fare entitlements, it is recommended that these leave fares are not cashed out.

The AusAID OCOS package provides for fare types not provided under the Whole of Government Guidelines. This includes reunion travel provisions which allow for two fares per year - one fare for travel to Australia and one fare for dependants to travel to post. Advisers will also have access to compassionate travel in circumstances where a close relative is critically ill or dies, which is not covered by the Whole of Government Guidelines. Advisers who have experienced a traumatic event, such as an injury or assault, and are assessed by a medical practitioner as in need of repatriation to Australia for rest and recovery reasons, may be provided with travel without deduction from standard leave fare entitlements.

Proposed leave fare entitlements are summarised below.

Table 3: Proposed leave fares for APS advisers

Country	Papua New Guinea	Solomon Islands	Indonesia and other locations
Two year posting	3	3	1
Three year posting	5	5	2

Feedback from agencies: Agencies have expressed the view that reducing leave fare entitlements to the extent recommended in this review will not offer sufficient relief from the hardships endured by advisers, in particular:

- health and welfare of advisers working in partner government offices, due to issues with work accommodation and security in the workplace
- concerns with the broader security environment in PNG
- separation from family as many advisers choose to go to post unaccompanied due to security factors.

Some agencies also highlighted their concerns that reduced entitlements do not recognise the disruption to careers of APS advisers drawn from institutions for which overseas service is not an integral or valued step in career progression.

Agencies proposed that the minimum fare entitlement not be reduced below 2-3 fares per year for PNG and Solomon Islands. It was further suggested that leave fares could be benchmarked against the assessed hardship level of each post, with posts rated at

the highest hardship levels receiving additional leave fare benefits over those with a lower hardship rating.

There is broad support for the proposal that relief fare entitlements not be cashed out.

Recommendation 3: Adopt a common arrangement for the payment of Special Location Supplement

Payment of Special Location Supplement to advisers will be determined by AusAID, in consultation with agencies. Where a rate of Special Location Supplement is adopted by AusAID for its own staff, or where a decision to cease Special Location Supplement is made, this will extend to advisers. In recognition of the additional isolation and hardship associated with working outside of capital cities a Special Location Supplement of 30% of the prevailing hardship allowance will be paid to both advisers and AusAID DPS employees working in regional centres (on current rates this equates to \$7,214 per annum for an unaccompanied employee and \$10,821 per annum for an accompanied employee). This is currently paid to AusAID DPS working in regional centres in Papua New Guinea.

Table 4: Proposed Special Location Supplement

	Papua New Guinea	Solomon Islands	Indonesia and other locations
SLS Payment	Nil in Port Moresby 30% in Regional PNG	Nil	Nil in Jakarta 30% in Regional Indonesia

Feedback from agencies: This recommendation is supported.

Recommendation 4: Access to vehicles for non-SES officers will be assessed on program requirements and subject to an employee contribution

AusAID recognises that allocation of a vehicle is often necessary for the day-to-day duties of an adviser and that vehicles will generally require home garaging outside of work hours.

It is recommended that home agencies should assess the requirement to allocate an official vehicle to each adviser on a needs basis and keep internal records to justify this decision.

Where approval is given for the allocation of an official vehicle to a non-SES adviser, the adviser should pay a contribution in recognition of the personal benefit derived. In circumstances where the adviser will use the vehicle for private purposes on a frequent basis, a contribution of \$250 should be levied. This is consistent with the contribution made by commercially-contracted advisers. Advisers who do not intend

to use the vehicle extensively for private purposes should be given the option of using a log book to record private use, with contributions based on per kilometre usage in accordance with the provisions of OCOS (\$0.75 per kilometre).

It is recommended that contributions for the private use of an official vehicle should commence as soon as the new terms and conditions package for advisers is implemented.

Feedback from agencies: Agencies support the recommendation for an assessment of the requirement for allocation of a vehicle to non-SES officers. However, several agencies do not support the recommendation to impose a charge on non-SES advisers who are provided with a commonwealth vehicle in PNG, citing security requirements and absence of alternative transport. One agency proposed a lesser amount of \$150 per month. It has also been suggested that the vehicle contribution charge is covered under the proposed transitional arrangements, with no contribution payable by advisers currently on posting.

Recommendation 5: Adviser positions should be classified against APS work level standards and classification rules

Positions should be filled at level in most instances and salaries paid within ranges agreed for each classification in home agency enterprise agreements, or within accepted SES pay ranges.

Agencies should make every effort to fill vacancies with employees who are at the substantive level of the position to be filled. Where it is not possible to fill a vacancy with an employee at the substantive level of the position, selecting a suitable employee on a higher duties basis can be considered.

Employees should be remunerated within the parameters set by agency enterprise agreements or accepted SES pay ranges. Where the agency intends to go outside of these limits, AusAID should be advised of the situation and the justification behind the decision to exceed normal limits. AusAID will reserve the right to restrict reimbursement of salary costs if not satisfied that the higher salary is justified.

Feedback from agencies: This recommendation is supported.

Recommendation 6: Changes to overseas conditions of services as a consequence of this review be managed through transition arrangements which do not disadvantage current employees

All advisers on deployment at the time the new package is approved, and those who have been formally selected for posting but not yet posted at that time, will be given the opportunity to remain on the current whole of government conditions of service

package or opt to move to the new OCOS package. Advisers will be provided with guidance by AusAID on the implications of the new policy. Advisers currently on deployment may elect to stay on the old package on extension of their posting.

Feedback from agencies: This recommendation is supported.

Recommendation 7: Funding from the aid budget should be restricted to those terms and conditions of service proposed under this review

Under APS enterprise bargaining arrangements, agencies cannot be compelled to follow the human resource policies of other APS employers. Each agency is an employer in its own right and reserves the right to set terms and conditions of service for its employees without reference to those of other APS employers. In response to this review, agencies may choose to continue to provide overseas allowances and other entitlements in excess of that proposed by the review. In such circumstances, AusAID would limit funding for whole of government deployments to those benefits and levels of benefit proposed in the review and covered by the AusAID overseas conditions of service policy.

Feedback from agencies: Agencies do not support this recommendation.

6 Conclusion

Whole of government engagement in the delivery of the aid program is central to AusAID's business model. At the operational level Australian government advisers provide advice on reforms and help develop the skills of their counterparts in various government bureaucracies.

Engaging the expertise of other Australian government advisers in such areas as public financial management, law and justice, infrastructure, customs and border control and immigration provides a collaborative approach which has helped to better address the development challenges of the region. It has also contributed to stronger bilateral and multilateral relationships which facilitate quality policy and implementation advice. This method of whole of government engagement has proven to be effective and provides value for money.

At the same time, AusAID and other relevant agencies must remain conscious of the public reputation of the aid program, of which they are stewards, and of public and Ministerial expectations regarding transparency and value for money in the program.

A key outcome of this Review is to make recommendations that will provide a conditions of service package that is sustainable and equitable for all APS employees engaged in AusAID development programs overseas. In the long term this will ensure transparency, improve staff morale, improve the efficiency and effectiveness of the management of our overseas workforce and ensure value for money as AusAID's development assistance programs continue to scale up.

Modelling the adviser package on that of AusAID DPS employees working out of partner government offices will provide a more comprehensive conditions of service framework and will ensure a measure of equity in employment conditions for employees posted overseas on development assistance programs. It is our view that the OCOS provides a sufficient compensatory package for employees posted overseas, with the enhancement of one additional leave fare per year for advisers in recognition of the difficulties of working in partner government offices (that is equivalent to existing arrangements for AusAID staff working outside capitals in provincial centres).

It is estimated that annual savings realised by ensuring that salaries for advisers are in accordance with the APS classification of the position occupied, the reduction of fare entitlements and SLS and the imposition of a charge for personal use of official vehicles will be approximately \$1.5 million per annum when fully implemented. The reduction in the number of leave fares overall and associated travel payments (for advisers in PNG) represents the largest saving, estimated at \$740,000 per annum.

This takes into account reunion travel eligibility for advisers who choose to leave dependants in Australia, which is a feature of the proposed new package. It is expected that a further \$500,000 will be saved by ensuring that salaries for advisers are within the APS classification for the position held. Estimated annual savings on SLS is \$110,000, with \$150,000 per annum expected to be recouped in employee contributions for the use of official vehicles.

The transitional arrangements proposed in this review, if implemented, will delay the realisation of the full annual cost savings. Based on information at hand on deployment end dates of advisers currently overseas, savings over the 2011/12 financial year will be negligible. 2012/13 savings are expected to be approximately \$600,000, growing to \$1.1 million in 2013/14 and to \$1.5 million by 2014/15.

It is also expected that there will be administrative savings for AusAID in managing a single conditions of service policy covering all employees overseas, including advisers.

Existing systems, guidance, tools and templates applicable to adviser's overseas conditions of service will be updated to reflect the recommendations of this Review. AusAID will continue to provide advice and guidance for home agencies in administering conditions of service for advisers.

In the course of the review, DFAT raised concerns about use of DFAT-constructed allowance packages for APS advisers in circumstances where tax exemptions apply. DFAT's allowances are valued on the assumption that officers have a tax liability. In most cases APS advisers can seek a tax exemption under current legislation. As a consequence, APS advisers enjoy an unintended advantage over officials who are not exempt from tax. This issue will be considered separately, given broader implications of changes to tax legislation for other aid personnel.

Definitions

Adviser – an official who does not exercise delegations and does not directly manage staff; is supplementary to the local structure or hierarchy rather than being part of it; usually reports to or has partner relationships with, at least one nominated position in the local organisation; and coaches, mentors and trains staff, including in technical matters.

Development Program Specialist - An AusAID employee who provides advice directly to host country counterparts, based either at an official chancery or annex mission or located in host government offices.

Home Agency – An agency of the Australian Government which provides officials for deployment as advisers under an AusAID funded development assistance program.

Ordinary period of deployment – for APS advisers the ordinary term of deployment is 2 years or a period set by the home agency delegate in consultation with the host government and AusAID. This period excludes extensions to deployments, which are agreed between the home agency, partner government and AusAID.

Special Local Supplement – an allowance paid in exceptional circumstances in recognition of unusual hardship and deemed appropriate for the overseas location.

Work Level Standards – define “whole of job” requirements of a position, focussing on different tasks and responsibilities that should be seen at each of the Australian Public Service classification levels. They describe the “work value” of each classification level, guiding job design and redesign, creation of job documentation and job analysis. The Australian Public Service Classification Rules provide the framework for classification of positions to be followed by all Australian Public Service agencies. The Australian Public Service Commission has been tasked with developing a contemporary work level standards framework for use across the APS.

Whole of Government Deployment – An assignment for a Government employee to work in a partner country government office as part of an AusAID funded overseas development aid program. Length of deployment can vary, but will ordinarily be for 2 or 3 years.

Attachment A: APS Advisers by agency and program

APS Advisers by Agency and Program

AGENCY	SGP (PNG)	RAMSI (SOLOMON ISLANDS)	GPF (INDONESIA)	TOTAL BY AGENCY
Dept of Finance & Deregulation	8	4	3	15
The Treasury	6	5	2	13
Australian Office of Financial Management	1	1		2
Australian Taxation Office	3			3
Dept of Immigration & Citizenship	4			4
Australian National Audit Office	1		1	2
Customs	4			4
Attorney General's Dept	12			12
Dept of Infrastructure and Transport	3			3
Australian Broadcasting Commission		3		3
Australian Transactions Reports & Analysis Centre			2	2
TOTAL BY LOCATION	42	13	8	63

Attachment B: Terms of Reference

Review of terms and conditions of employment for Australian officials deployed as advisers under the Australian aid program

On 3 March 2011 the Minister for Foreign Affairs announced a review of the terms and conditions of service provided to public servants deployed overseas as advisers under Australia's aid program. This review follows and builds on the earlier AusAID review that introduced a standardised remuneration framework for commercially engaged advisers.

The Minister has directed AusAID to conduct the review. The review will report to the Minister by July 2011.

Objectives and scope

The review will focus on standardising conditions of service for public servants from government departments and agencies on whole of government (WoG) assignments overseas funded through the aid program. Largely, this will cover the three programs that together comprise the bulk of WoG deployments (the Strongim Gavman Program in PNG, the Regional Assistance Mission to Solomon Islands and the Government Partnership Fund in Indonesia), but will also look at other, smaller WoG missions in other developing countries. Currently 68 advisers from 12 different APS agencies are deployed overseas in five countries.

The review will address arrangements for all current and future deployments of APS employees as advisers overseas funded through the aid program.

The review will be confined to employees covered under the *Public Service Act 1999*. It will not address AFP deployments made under separate arrangements and in accordance with the *Federal Police Act 1979*.

The review will address:

- Standardising terms and conditions of service for APS employees deployed overseas as advisers under Australia's aid program.
- Greater consistency with terms and conditions provided to other public servants posted overseas on long-term assignments from other government departments/agencies, including AusAID, recognising the difficult environment that deployees on WoG assignments are required to work within.
- A standard approach to AusAID funding of adviser positions, including an assessment of position classifications and work level standards.
- Transitional arrangements for existing deployments in moving towards a standardised set of terms and conditions.

Methodology and timing

The Deputy Director General Asia Pacific and Program Enabling Group, AusAID, will lead the review, supported by staff from the Human Resources Branch. Departments and agencies with employees on WoG programs will be participate in the review through regular consultation and meetings as required, with specific modalities and timelines to be agreed at the first meeting proposed for 12 April 2011.

The review will report to the Minister by July 2011.

Attachment C: Comparison of AusAID and APS Conditions of Service

This table shows where there are differences of a material nature between entitlements and benefits provided under the OCOS and those provided under the Whole of Government Guidelines, or omissions in the Guidelines.

	Whole of Government Guidelines	OCOS Policy	Difference
Relief Leave Fares	<p><u>PNG</u> 6 leave fares per annum (cashed out)</p> <p><u>Solomon Islands</u> 6 leave fares per annum</p> <p><u>Indonesia</u> 1 leave fare in a 2-year posting 2 leave fares in a 3-year posting</p>	<p>1 leave fare in a 2-year posting 2 leave fares in a 3-year posting</p> <p>1 additional leave fare per annum for employees posted to regional localities</p>	<p>Advisers in PNG and the Solomon Islands receive a substantially higher benefit than under the OCOS policy.</p> <p>Advisers in Indonesia receive the same frequency of leave fares as under the OCOS policy</p>
Access to official vehicles	Advisers generally have the use of vehicles for both official business and private travel without the requirement for a personal contribution	Employees authorised to use an official vehicle on a continuous full-time basis are required to make a contribution of \$250 per month	Advisers are not currently required to make a personal contribution towards vehicle running costs
Special Location Supplement (SLS)	<p>Advisers in Indonesia receive SLS of:</p> <ul style="list-style-type: none"> \$12,384pa (unaccompanied) \$18,576pa (accompanied) <p>No SLS is paid in PNG or the Solomon Islands</p>	<p>Employees posted to regional localities in PNG receive SLS of:</p> <ul style="list-style-type: none"> \$7,430pa (unaccompanied) \$11,146pa (accompanied) <p>No SLS is paid in Indonesia, the Solomon Islands or in Port Moresby</p>	<p>Advisers in Indonesia receive SLS.</p> <p>AusAID employees in regional PNG receive SLS. Advisers in regional PNG do not.</p>
Cost of Living Allowance (COLA)	Not paid.	COLA paid at varying rates depending on value of Australian dollar and comparative 'basket of goods' prices. COLA is currently nil in PNG, Solomons and Jakarta due to the high Australian dollar	None while Australian dollar remains high
Cost of Posting Allowance (COPA)	<p>Higher rate paid to WoG employees in PNG and Solomon Islands due to the 'no COLA' allowance package (see above). Rates paid:</p> <ul style="list-style-type: none"> PNG/Solomons <ul style="list-style-type: none"> - 18% of salary (unacc.) - 27% of salary (acc.) Indonesia <ul style="list-style-type: none"> - 16% of salary (unacc.) - 24% of salary (acc.) 	<p>Standard rate paid across all posts of:</p> <ul style="list-style-type: none"> - 16% of salary (unacc.) - 24% of salary (acc.) 	With the current high value of the Australian dollar, the additional COPA paid to advisers delivers a higher benefit of approximately \$80 - \$110 per fortnight for PNG and the Solomon Islands. This may change if the comparative value of the Australian dollar falls

	Whole of Government Guidelines	OCOS Policy	Difference
Child Supplement	Paid where child is attending primary or secondary school, up to age 18. Rates paid (per eligible child): - under 12 \$137 per fortnight - 12 – 17 \$191 per fortnight	Paid from date of birth to age 18 (if attending secondary school). Rates paid (per eligible child): - under 12 \$137 per fortnight - 12 – 17 \$191 per fortnight	Rates of child supplement paid are identical, but eligibility period differs. WoG employees with children under school age will benefit under new package
Child Hardship Allowance	Paid where child is attending primary or secondary school, up to age 18. Rates paid (per eligible child): - \$56 per fortnight	Paid from date of birth to age 18 (if attending secondary school). Rates paid (per eligible child): - \$56 per fortnight	Rates of child supplement paid are identical, but eligibility period differs. WoG employees with children under school age will benefit under new package
Reunion Travel	No eligibility, with the exception of employees in Jakarta (see note below). Reunion with dependants in Australia covered by standard leave fares.	2 reunion fares per year for spouse and dependant children remaining in Australia. 4 fares per year for dependant children in boarding school in Australia with both parents at post.	Eligibility for reunion fares will in some respects offset the reduction in relief fares. Reunion is ordinarily for dependants to visit employee at post, but one per year can be 'reversed' to allow the employee to travel to Australia (only one eligible for travel if both employee and spouse are at post).
Outlay Advance	Not Paid	An interest-free loan of up to \$15,000 towards demonstrated start-up costs at post. Ordinarily used to purchase a vehicle, but can be used for other items. Repaid in fortnightly instalments over first 6 months of posting	Available as an option only under new package
Financial Advice	Not Paid	Reimbursement of up to \$517 towards costs of financial advice on commencement of posting	Available as an option only under new package
Education costs in Australia	Not paid if child in private school prior to posting. Otherwise, full costs of schooling reimbursed up to cost of boarding/tuition at Canberra Grammar School	Paid up to cost of compulsory boarding and/or tuition fees at Canberra Grammar School, with employee contribution of \$2,685 per annum towards boarding costs	OCOS provides advantage in that costs of boarding school picked up regardless of previous schooling choice, but disadvantage in that a contribution is payable in all boarding arrangements

	Whole of Government Guidelines	OCOS Policy	Difference
Education costs at post	Full costs paid, subject to limit of DFAT-identified benchmark school at post. No assistance with remedial tuition or summer school costs	Full costs paid, subject to limit of DFAT-identified benchmark school at post. Reimbursement of costs of remedial tuition and summer school permitted in certain circumstances	Small advantage under OCOS with option of assisting with remedial tuition and summer school
Status as an accompanied employee	Employees who go to post accompanied by a spouse/partner will revert to unaccompanied status if the spouse partner is absent from post for more than 28 days in a 6-month period	Employees who go to post accompanied by a spouse/partner will revert to unaccompanied status if the spouse partner is absent from post for a period of more than 28 consecutive days	More likely that a WoG employee will revert to unaccompanied status, with associated reduction in allowances, due to cumulative nature of calculating absence from post
Entitlement to have goods remain in storage at commonwealth expense at end of posting	Up to 2 weeks	Up to 4 weeks	The longer entitlement period allows employees to take longer leave away from headquarters at end of posting before incurring a personal cost for goods remaining in storage, prior to moving back into family home
Outlay Advance	Not Paid	An interest-free loan of up to \$15,000 towards demonstrated start-up costs at post. Ordinarily used to purchase a vehicle, but can be used for other items. Repaid in fortnightly instalments over first 6 months of posting	Available as an option only under new package
Financial Advice	Not Paid	Reimbursement of up to \$517 towards costs of financial advice on commencement of posting	Available as an option only under new package
Education costs in Australia	Not paid if child in private school prior to posting. Otherwise, full costs of schooling reimbursed up to cost of boarding/tuition at Canberra Grammar School	Paid up to cost of compulsory boarding and/or tuition fees at Canberra Grammar School, with employee contribution of \$2,685 per annum towards boarding costs	OCOS provides advantage in that costs of boarding school picked up regardless of previous schooling choice, but disadvantage in that a contribution is payable in all boarding arrangements

	Whole of Government Guidelines	OCOS Policy	Difference
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Entitlement to have goods remain in storage at commonwealth expense at end of posting	Up to 2 weeks	Up to 4 weeks	The longer entitlement period allows employees to take longer leave away from headquarters at end of posting before incurring a personal cost for goods remaining in storage, prior to moving back into family home

Note: Employees in Jakarta are eligible for 1 reunion fares for a spouse and other recognised dependants per annum and 4 reunion fares for children in boarding school

In addition to the benefits and entitlements shown in the tables, there are a number of omissions from the Whole of Government Guidelines that have historically been dealt with by using the provisions of the AusAID OCOS. These include:

- Provisions relating to travel and accommodation costs in Australia where an employee returns to Australia for childbirth
- Travel for spouse to attend birth of a child in Australia
- Travel for compassionate reasons (e.g. serious illness or death of a close relative)
- Excess baggage costs
- Loss or damage to possessions due to war or civil disturbance.

ATTACHMENT D

Attachment D (the AusAID Overseas Conditions of Service Policy) has been forwarded to agencies separately.