



Australian Government

Department of Foreign Affairs and Trade

Aid Adviser Remuneration Framework (ARF)

Effective October 2016
(Version 7)

Contracts@dfat.gov.au

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Version Control

Version	Date	Update
6.1	October 2016	Minor clarifications to guidelines (no policy changes made).
6.0	January 2016	First update of adviser remuneration and conditions i.e. revised Short Term Adviser rates and leave arrangements, and introduction of Mobility Allowance Supplement.
5.0	August 2015	Simplified approval processes for adviser rates above Market Reference Point.
4.0	July 2014	Updated due to integration of AusAID with DFAT.
3.0	February 2012	Updated Professional Discipline Groups B and C.
2.0	October 2011	Clarified that the ARF applies to positions where the expertise cannot be sourced locally, and it does not apply to locally engaged advisers. Also included a step by step guide for using the Framework.
1.0	February 2011	ARF released

1. Applying the ARF

The Aid Adviser Remuneration Framework (ARF) mandates that all Advisers are paid in accordance with the prescribed set of rates, allowances and support costs outlined in this document. It applies to all methods of procurement, including open, prequalified or limited tender.

The ARF applies to all Advisers who are contracted both:

- Commercially – either directly by DFAT, or through a managing contractor (including through non-government organisations, if the basis of the funding agreement with DFAT is a commercial contract);
and
- Internationally – where Adviser positions are classified as ‘international’ because the required expertise is unlikely to be able to be sourced locally.

The nationality of the Adviser has no bearing on remuneration (e.g. If an Indonesian citizen wins an internationally classified Adviser position in Indonesia, then the ARF rates apply. Similarly, if an expatriate wins an advisory position advertised locally, they would be remunerated in line with advertised local labour market rates, and not the ARF). However the rates paid for nationally recruited positions must not exceed the ARF Market Reference Point.

Salary and allowances paid to aid advisers engaged directly or indirectly under Australian Government contracts must be paid in accordance with the ARF, regardless of source of funding (i.e. in case of any supplementary funding by Partner Government and/ or other donors). Payment of rates or allowances above the amounts prescribed under ARF must be approved by the Relevant Delegate.

In this Guideline, the use of the term must indicates a process that is mandatory. The use of the term should suggests good practice, and it is recommended that the practice be applied unless there are good reasons not to.

2. Definition of an ‘Adviser’ for applying ARF

An adviser is an individual who provides advice on the strategic direction or implementation of the Australian aid program. This includes individuals who provide:

- technical expertise and advice to counterpart governments and/or other in-country development partners;
- technical advice to DFAT on the delivery of the aid program; or
- leadership and oversight or technical inputs for the delivery of an DFAT project,

but **does not include**:

- locally engaged staff employed in non-specialist roles, including staff engaged in administrative or logistical roles;
- Australian government officials (including those in advisory roles) engaged through employment contracts on Australian Public Service terms and conditions;
- Advisers procured and engaged by partner governments, bilateral or multilateral organisations, using these agencies’ own procurement processes;
- individuals engaged in humanitarian and emergency response missions at times of crisis;
- Volunteers; and
- Grant recipients.

3. Classifying the Adviser Position

The Terms of Reference (TOR) for an Adviser position must be classified according to the ARF, based on the Professional Discipline Categories A to D (field of expertise), Job Levels 1 to 4 (level of expertise) and the duration of engagement (short term or long term). Additionally, the TOR should:

- define the objectives, deliverables and outcome/s required - the position should represent value for money for Australia and country partners. If the Adviser position is part of a wider development activity, the TOR should clearly show its contribution to achieving activity objectives;

- identify the full set of technical and capacity skills, cultural and language requirements and personal attributes required (these should be incorporated into the selection criteria for the position); and
- describe the position's performance management and reporting arrangements (in the first instance, the Adviser should be accountable to, and managed by, the organisation/s in which they are working).

Professional Discipline Categories (A to D) The **Professional Discipline Categories A to D**, listed in [Attachment A](#), group job roles based on the market values of various professional disciplines.

Where the TOR align with more than one Professional Discipline Category, the Adviser position must be classified according to the one that comprises the majority of the role.

If the expertise required is not defined in the Professional Discipline Categories, the one that includes a comparable discipline should be selected. Alternatively, market research may be conducted to benchmark and determine an appropriate remuneration rate.

Job Levels (1 to 4) The Job Levels listed at [Attachment B](#), denote the level of complexity, responsibility, accountability and experience expected from an Adviser in the identified position.

Job Levels 1 to 3 represent the majority of Adviser roles, from entry level through to mid and senior levels, whilst **Job Level 4** is reserved for senior executive roles that require high level engagement and influence with counterparts at a strategic level, and should be used sparingly.

When determining the suitability of an individual for an Adviser position, the number of years of experience within the Job Level should serve as a guide, and only experience relevant to the role should be considered.

Duration of Engagement A **short term engagement** is one that extends for a period of less than six months of continuous inputs¹ within a single contract. If an Adviser is engaged for multiple assignments of less than six months duration under a contract, then their total cumulative input during the contract may exceed six months and still be considered short term. Short Term Advisers are paid a daily rate, according to the tables at [Attachment C](#).

A **long term engagement** occurs when an Adviser is engaged for a period of six months or more of continuous inputs. Long Term Advisers are paid a monthly rate, according to the tables at [Attachment D](#). Long term Advisers may be engaged on a part-time basis, in which case pro-rata rates will be payable.

The tables at Attachments C and D specify the daily/ monthly rates payable according to the relevant Professional Discipline Category and Job Level. These rates are inclusive of superannuation (if any) and base salary.

Long Term Adviser rates are also inclusive of private transport costs and paid annual leave of up to thirty (30) days per annum (20 days recreational, and up to 10 days personal). This is inclusive of annual recreational leave, sick leave, carer's leave and travel time (embarkation/ disembarkation) incurred in accessing leave. Advisers may 'purchase' additional leave (in excess of the 30 day allowance) on a pro-rata basis.

Where Long Term Advisers are based in remote locations, DFAT may at its discretion, approve flexible working arrangements (e.g. three weeks on, one week off). These arrangements must be approved by the relevant Delegate responsible for the budget from which the adviser is paid.

The Professional Discipline Category and Job Level describe the requirements of the role, not a particular individual's skills or work history. Therefore Advisers must be paid as per classification of their role, not according to an individual's skills and experience. So, for example, an Adviser may have qualifications and experience that allow them to be paid at C4 level, but if the role has been assessed at C3 Level then this is the rate at which they should be paid. This means that an Adviser may be paid differently for each engagement depending on DFAT's requirements.

An Adviser's remuneration rate is specified in the relevant contract and is valid for the duration of the contract, regardless of any changes to ARF rates that may be made subsequent to the contract being signed.

Proposed remuneration rates must not exceed the rates specified in the ARF, unless approved by the relevant DFAT delegate (see [Attachment H](#)).

¹ If engagement of a Short Term Adviser input requires unforeseen extension beyond six months of continuous work, the work beyond the six month point should be paid at long term rates (and pro rata if less than one month).

4. Applying Pay Scales

There are three sets of pay scales under the ARF:

- i. Entry Rate to Market Reference Point (MRP)** Advisers who meet the requisite level of skills and experience identified in the TOR would normally be paid at or below the Entry Rate².
Advisers with additional skills and experience which are relevant to the position may be offered a rate up to the MRP.
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- ii. MRP to Maximum Pay Point (MPP) (Premium Rates)** To engage an Adviser at Premium Rates (i.e. between the MRP and MPP), the approval of the relevant DFAT Assistant Secretary (AS) or Minister-Counsellor (SES Band 1) must be obtained (see [Attachment H](#)).

DFAT officers must submit a business case for the Delegate's approval demonstrating either scarce skills and/ or outstanding past performance.

In order to accept tender proposals with Premium Rates, the Delegate's approval must be sought prior to the release of the Approach to Market.

Where application of an escalator lifts the remuneration of an Adviser into Premium Rates, approval must be sought from the relevant delegate prior to contract execution.

- iii. Above MPP** To engage an Adviser at a rate above MPP, the approval of the First Assistant Secretary (FAS), Contracting and Aid Management Division (ACD) must be sought (see [Attachment H](#)).

In rare circumstances there may be justification for remuneration of an Adviser beyond the MPP. DFAT officers must submit a business case justifying the adviser rate above MPP for approval by FAS, ACD through AS, CVB.

5. Consideration of Past Performance

For all Adviser engagements (and re-engagements) DFAT staff should first check DFAT's [Contractor and Adviser Performance Register](#), and may [contact CVB](#) to obtain Adviser Performance Assessment information for past assignments. This should be done before determining a remuneration offer, including for Advisers engaged by contractors for a DFAT funded activity³.

6. Allowances

Advisers may also be eligible for allowances (see [Attachment E](#)), payable at DFAT's discretion. When these are agreed, the [Adviser Remuneration Calculator](#) should be used to determine the total remuneration package.

7. Adviser Support Costs

Adviser Support Costs (see [Attachment F](#)), are expenses incurred by an Adviser that are directly related to their assignment. They are reimbursed by DFAT at cost and up to a prescribed limit set in the relevant contract.

8. Management Fees

Some Advisers may be eligible to charge a Management Fee (see [Attachment G](#)), depending on the nature of their engagement.

² The Entry Rate is a guide only, and where appropriate, Advisers can be remunerated below this rate.

³ Refer to DFAT's guidance on [Commercial Partner Performance Assessment](#) for comprehensive information on contractor and Adviser performance, including definitions of performance ratings. Partner Performance Assessments and Adviser Performance Assessments information are used in tender evaluations to inform contract award decisions and must not be released outside of DFAT.

9. Entering into a Contract

After the Adviser's total remuneration package, including Support Costs and applicable Management Fee, have been agreed with the managing contractor or the individual Adviser, DFAT staff should prepare the draft contract (when the Adviser is contracted directly by DFAT).

All draft agreements, including amendments, valued above \$500,000 (including GST) [for administered aid funding] must be cleared by CVB prior to seeking Delegate approval. Draft documents must be submitted to CVB using the [Agreement Clearance Worksheet](#).

DFAT staff must incorporate all comments/ advice provided during the clearance process into the final document, prior to submitting it to the Delegate and Adviser or managing contractor.

Attachment A: Professional Discipline Categories

Discipline Category Group A

General Administration and Corporate Services

Administrative Services
Contracting and Purchasing
Facilities/Travel
Program Budgeting
Printing/Graphics & Cartography
Human Resources Administration
Financial Management
Public Affairs and Communication

Data and Information Services

Documentation and Records Management
Computers/Communications & Technical Support,
including:

- > *Hardware, software and training*
- > Web maintenance/Homepage design

Accounting, Audit and Statistics

Accounting
Internal Audit
Statistics

Procurement and Grant Administrative Services

Administrative Services and Support
Tender and Grant Process Administration

Discipline Category Group B

Agriculture

Agricultural Extensions
Agro Industry/Agribusiness Management
Agronomy
Fisheries
Forestry
Livestock
Natural Resource Management
Tree Crops
Statistics

Food Security and Rural Development

Agricultural productivity
Rural Market Development
Social Protection

Humanitarian, Emergency, Risk Management

Humanitarian Policy

Information Systems

Communications
Data Communications and Infrastructure, including:
> *Network administration*
> *Voice communications*
Systems software design & implementation
Large scale data management
> *System design*
IT Engineering

Social and Political Science

Human Resources Development

Logistics

Education

Training

Public Health

Nutrition
Nursing
Occupational Health

Research

Gender

Governance

Political Democratic Governance
Public Sector Management
Governance Reforms and Decentralisation
Governance Support Services

Social Development

Social Development – Safeguards including:
> *resettlement and displacement of indigenous people*
Social Development
Child Protection
Human Rights
Political and Social Analysis and Social Change
Communications for Development (C4D)

Community Development (Related to Infrastructure)

Fragility and Conflict

Fragility and Conflict training and Advisory Support

Discipline Category Group C

Biological Sciences and Ecology

Biological Sciences and Ecology
Biotechnology

Climate Change and Environmental Services

Mitigating and Avoiding Greenhouse Gas Emissions
Climate Change Adaptation
Assessment/Monitoring
Biodiversity
Waste
Natural Resources
Pollution
Sustainable Development

Economics/Financial Analysis

Economics/financial analysis, including:
> *Project feasibility study*
> *Sector study*
Econometrics modelling
Environmental economics
Fiscal
International trade/Finance
Labour economics/employment
Macroeconomics (including policy)
Management accounting
Microeconomics
Monetary
Poverty
Procurement / Public Finance Management

Engineering

Architecture
Chemistry
Carbon market
Clean development mechanisms
Energy
Environmental engineering

Due Diligence

Due Diligence
Financial Due Diligence

Infrastructure

Transport
Urban Development
Energy and Information, Communications and Technology
Infrastructure Management
Public Buildings
Water and Sanitation

Industry

Mining
Geology
Petroleum Gas
Power
Telecommunications

Project Management

Country Operations Management
Project monitoring, operations & evaluation

Legal (General)

Medicine (General)

Design

Strategic Programming
Operational Design (Activity and Program)
Organisational Capacity Building (Strategy development, design and monitoring and evaluation)
Theory of Change/ Program Logic Facilitation

Monitoring and Evaluation

Strategic Evaluation
Strategic Monitoring and Program Performance Systems
Activity Monitoring and Performance Systems
Activity Evaluation

Capacity Development

Humanitarian, Emergency and Disaster Risk Management

Disaster Risk Management (DRM)
Humanitarian Emergency and Preparedness Response
Humanitarian Policy
Disaster Risk Reduction (DRR)
Assistance to Refugees and Displaced People

Procurement and Grant Administration Services

Probity Services
Procurement and grant policy / project management

Procurement Assessment and Capacity

Development Advisory Services
Procurement
Assessment and Capacity Development Advisory Services

Discipline Category Group D

Finance and Investment (specialised)

Banking
Build Operate
Transfer (sectoral/ country level)
Capital Markets
Finance/Fund Management/Co-finance
Guarantee/Insurance
International trade
Investment
Public/Private Partnerships
Sector Pricing/Tariffs
Specialised Finance (insurance, social security, pension schemes)

Governance

Governance reforms and Decentralisation

Institutional Reform

Organisational planning and management Strategy development
Private sector development and restructuring
Private Sector Development/ Privatisation
Public enterprise management and restructuring

Legal (specialised)

Deregulation
Judicial Strengthening & Regulation

Public Finance Management & Fiscal Decentralisation

Attachment B: Job Levels

Level	Description	Indicative requirements
Entry (Level 1)	<ul style="list-style-type: none"> Performs a variety of research and analytical tasks requiring independent initiative; Overall direction of the work is clearly defined and forms a component of a larger project; Work is performed under guidance; and Contacts with counterparts predominantly at the administrative level. 	<ul style="list-style-type: none"> Good theoretical base in subject area, with the ability to translate theory into practice; Ability to participate in multi-disciplinary teams; Good thematic/regional knowledge (where required); and Up to 5 years relevant experience in one or more professional disciplines, or equivalent combination of relevant education and experience.
Middle (Level 2)	<ul style="list-style-type: none"> Performs professional level analysis and/or research requiring technical skills and independent initiative; Works within a well-defined program of work; Work is performed with limited supervision; and Contacts with counterparts predominantly at a working level. 	<ul style="list-style-type: none"> Strong knowledge of functional area, combining a broad grasp of relevant theory and principles; Ability to participate in multi-disciplinary teams and to work independently; Strong thematic/regional knowledge (where required); and 5 or more years' relevant experience in one or more professional disciplines, or equivalent combination of relevant education and experience.
Senior (Level 3)	<ul style="list-style-type: none"> Provides informed technical or policy advice and or advises on complex program; Ability to coordinate contributions of other specialists to complete a joint project; Recognised as an expert in the field with appropriate academic qualifications and substantial professional experience; and Contacts with counterparts predominantly at strategic/management level. 	<ul style="list-style-type: none"> Excellent theoretical base in subject area, with ability to translate theory into practice; Leadership with ability to function as team leader and ability to coach and mentor more junior staff; Excellent thematic/regional expertise (where required); and 10 to 15 years' relevant experience in one or more professional disciplines, or equivalent combination of relevant education and experience.
Senior Executive (Level 4)	<ul style="list-style-type: none"> Acts as a senior Adviser on major policy work or is responsible for leading complex projects/programs, usually involving the participation of one or more multidisciplinary teams; Extensive relevant professional experience including at senior advisory or managerial levels; Strong academic background and or internationally recognised professional status in the field; and Contacts with counterparts predominantly at strategic/management level. 	<ul style="list-style-type: none"> Outstanding theoretical base in subject area, with ability to conceptualise, design and implement major projects and to produce major/complex reports or studies; Demonstrated professional leadership and ability to lead a team of professionals and ability to coach and mentor more junior staff; Outstanding thematic/regional expertise (where required); and 15 or more years' professional experience or equivalent combination of education and experience.

Attachment C: Short Term Adviser Daily Rate Tables (effective 1 January 2016)

Discipline Group A

Job level	AUD - daily remuneration rates				Premium rates	Maximum
	Entry rate	Years of relevant experience	Years of relevant experience	MRP		
Entry (Level 1)	308	← Up to 2 →	347	← >2 to 5 →	← →	505
Middle (Level 2)	408	← Up to 5 →	459	← >5 to 10 →	for advisers with an outstanding performance history	670
Seinor (Level 3)	539	← Up to 10 →	607	← >10 to 15 →		or for scarce skills
Senior Executive (Level 4)	618	← Up to 15 →	696	← >15 →	← →	1,015

Discipline Group B

Job level	AUD - daily remuneration rates				Premium rates	Maximum
	Entry rate	Years of relevant experience	Years of relevant experience	MRP		
Entry (Level 1)	302	← Up to 2 →	340	← >2 to 5 →	← →	496
Middle (Level 2)	436	← Up to 5 →	491	← >5 to 10 →	for advisers with an outstanding performance history	715
Seinor (Level 3)	566	← Up to 10 →	636	← >10 to 15 →		or for scarce skills
Senior Executive (Level 4)	649	← Up to 15 →	730	← >15 →	← →	1,065

Discipline Group C

Job level	AUD - daily remuneration rates				Premium rates	Maximum
	Entry rate	Years of relevant experience	Years of relevant experience	MRP		
Entry (Level 1)	318	← Up to 2 →	358	← >2 to 5 →	← →	522
Middle (Level 2)	433	← Up to 5 →	487	← >5 to 10 →	for advisers with an outstanding performance history	710
Seinor (Level 3)	594	← Up to 10 →	668	← >10 to 15 →		or for scarce skills
Senior Executive (Level 4)	682	← Up to 15 →	768	← >15 →	← →	1,120

Discipline Group D

Job level	AUD - daily remuneration rates				Premium rates	Maximum
	Entry rate	Years of relevant experience	Years of relevant experience	MRP		
Entry (Level 1)	354	← Up to 2 →	399	← >2 to 5 →	← →	581
Middle (Level 2)	491	← Up to 5 →	553	← >5 to 10 →	for advisers with an outstanding performance history	806
Seinor (Level 3)	679	← Up to 10 →	764	← >10 to 15 →		or for scarce skills
Senior Executive (Level 4)	774	← Up to 15 →	871	← >15 →	← →	1,270

Attachment D: Long Term Adviser Monthly Rate Tables

Discipline Group A

Job level	AUD - daily remuneration rates				Premium rates	Maximum
	Entry rate	Years of relevant experience	Years of relevant experience	MRP		
Entry (Level 1)	5,658	← Up to 2 →	6,366	← >2 to 5 →	← →	8,488
Middle (Level 2)	7,482	← Up to 5 →	8,418	← >5 to 10 →	for advisers with an outstanding performance history	11,224
Seinor (Level 3)	9,918	← Up to 10 →	11,158	← >10 to 15 →		or for scarce skills
Senior Executive (Level 4)	11,322	← Up to 15 →	12,737	← >15 →	← →	16,983

Discipline Group B

Job level	AUD - daily remuneration rates				Premium rates	Maximum
	Entry rate	Years of relevant experience	Years of relevant experience	MRP		
Entry (Level 1)	5,590	← Up to 2 →	6,289	← >2 to 5 →	← →	8,386
Middle (Level 2)	8,061	← Up to 5 →	9,068	← >5 to 10 →	for advisers with an outstanding performance history	12,091
Seinor (Level 3)	10,412	← Up to 10 →	11,714	← >10 to 15 →		or for scarce skills
Senior Executive (Level 4)	11,907	← Up to 15 →	13,395	← >15 →	← →	17,860

Discipline Group C

Job level	AUD - daily remuneration rates				Premium rates	Maximum
	Entry rate	Years of relevant experience	Years of relevant experience	MRP		
Entry (Level 1)	5,887	← Up to 2 →	6,623	← >2 to 5 →	← →	8,830
Middle (Level 2)	8,026	← Up to 5 →	9,029	← >5 to 10 →	for advisers with an outstanding performance history	12,039
Seinor (Level 3)	10,946	← Up to 10 →	12,314	← >10 to 15 →		or for scarce skills
Senior Executive (Level 4)	12,545	← Up to 15 →	14,114	← >15 →	← →	18,818

Discipline Group D

Job level	AUD - daily remuneration rates				Premium rates	Maximum
	Entry rate	Years of relevant experience	Years of relevant experience	MRP		
Entry (Level 1)	6,601	← Up to 2 →	7,426	← >2 to 5 →	← →	9,901
Middle (Level 2)	9,156	← Up to 5 →	10,301	← >5 to 10 →	for advisers with an outstanding performance history	13,734
Seinor (Level 3)	12,620	← Up to 10 →	14,197	← >10 to 15 →		or for scarce skills
Senior Executive (Level 4)	14,335	← Up to 15 →	16,127	← >15 →	← →	21,502

Attachment E: Allowances

Short Term Adviser Allowances

- Per diems

Per diems

Fixed daily travel rates (per diems) that are prescribed by DFAT for each country and apply where short term travel by an Adviser (Short Term or Long Term) is required. Where relevant, these should be specified in the contract.

In instances where an Adviser is required to undertake overnight travel, DFAT may provide the relevant country per diem rates to managing contractors upon request.

Per diem rates paid to advisers must be in accordance with DFAT's [Reimbursable Travel Rates for Contractors](#).

Long Term Adviser⁴ Allowances

- Mobility Allowance
- Mobility Allowance Supplement
- Special Location Allowance

Mobility Allowance

Compensates Long Term Advisers for the personal impact and cost of living differences associated with leaving their permanent country of residence on a long term basis. In order to receive the Mobility Allowance, the Adviser must declare their accompanied or unaccompanied status in the [Declaration of Status](#).

The Mobility Allowance is calculated based upon the Adviser's salary and whether they are accompanied by a Partner or Dependand/s.

- If accompanied by a Partner who is receiving an expatriate allowance equivalent to the Mobility Allowance, the Adviser is not entitled to receive the Mobility Allowance. If the Partner is not receiving such an allowance, the Mobility Allowance at the 'accompanied rate' will be paid to the Adviser.

Where two Advisers (i.e. a couple) are both engaged by DFAT (through a managing contractor or other donor on an Australian Aid project) the Mobility Allowance at the 'accompanied rate' will only be paid to one Adviser.

- If accompanied by a Dependant, an Adviser will receive the Mobility Allowance at the 'accompanied rate'.
- If an Adviser is not accompanied by a Partner or Dependand(s), the Adviser will receive the Mobility Allowance at the 'unaccompanied' rate.

Where a Partner or Dependand ceases to accompany the Adviser temporarily, the Adviser will receive the Mobility Allowance at the 'unaccompanied' rate from the next day. The Adviser (or their employing contractor) must notify DFAT of the change in accompanied status no later than 5 working days from the date of departure.

Where a Partner or Dependand ceases to accompany the Adviser permanently, the Adviser will receive the Mobility Allowance at the 'unaccompanied' rate from the next day. The Adviser (or their employing contractor) must notify DFAT of the change in accompanied status, and submit a new Declaration of Status to DFAT no later than 5 working days from the date of departure.

The [Adviser Remuneration Calculator](#) should be used to determine the amount to be paid.

Mobility Allowance Supplement

Assists Long Term Advisers with the cost of educating a Dependent Child/ren. It is a **monthly flat rate payment of \$1,368**, and remains fixed regardless of the number of Dependent Children an Adviser has.

To be eligible, the Long Term Adviser must:

- be engaged to provide continuous inputs for a period in excess of 6 months;
 - have relocated in-country from their permanent country of residence;
 - be accompanied by at least one Dependent Child who attends kindergarten (primary education) through to year 12 (secondary education); and
 - complete a Declaration of Status form, and provide proof of enrolment in a primary or secondary school for each Dependent Child.
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⁴ Where a Long Term Adviser takes extended unpaid leave, the payment of allowances ceases for the duration of the leave.

Advisers with Dependants attending tertiary education or Dependants that remain in their permanent country of residence or undertaking home schooling are not eligible for this supplement.

In order to receive the Mobility Allowance Supplement, the Adviser must complete the [Declaration of Status](#).

Where Dependant Child/ren cease to accompany the Adviser, the Adviser will no longer receive the Mobility Allowance Supplement. The Adviser must submit a new Declaration of Status to DFAT, no later than 5 working days from the Dependant Child/ren's education ceasing to notify DFAT of the change in accompanied status.

Special Location Allowance

Compensates Long Term Advisers working in difficult environments and may apply to those engaged in Baghdad, Kabul, Oruzgan Province, Islamabad and remote locations.

The [Adviser Remuneration Calculator](#) should be used to determine the amount to be paid.

Special Location Allowance for isolated circumstances in locations not listed here is negotiable in consultation with CVB, and payable at DFAT Delegate's discretion.

Attachment F: Support Costs

Support Costs for Short Term and Long Term Advisers may include, but are not limited to:

- Accommodation (hotel and rental) costs (see below);
- Mobilisation/ Demobilisation (see below);
- Airfares (reimbursed at cost);
- International communication costs (an agreed rate for costs that are directly related to the provision of the Goods and/or Services);
- Compulsory arrival and departure taxes and costs associated with entry to a country (reimbursed at reasonable cost such as visas and airport tax)
- Work related transport costs (reimbursed at reasonable cost directly relating to the provision of the Goods/Services and where travel to meetings with DFAT is required);
- Medical insurance, where applicable (reimbursed at cost); and
- Security costs, where applicable (reimbursed at cost).

Short Term Adviser Support Costs Accommodation Costs (Hotel)

- Accommodation Costs (Hotel)

All Advisers on short term assignments to a country outside their country of residence are entitled to four star international chain hotel accommodation. The cost of this (including taxes and any compulsory service charges) should be comparable to the cost of four star accommodation in Australia. If the relevant Post assesses a higher standard of accommodation is necessary to reach the equivalent of the Australian standard, the relevant delegate may grant approval to upgrade the accommodation. The accommodation costs are reimbursed at lesser of actual cost incurred or amount specified, per **twenty-four (24) hour** period.

Long Term Adviser Support Costs⁵ Accommodation Costs (Rental)

- Accommodation Costs (Rental)
- Mobilisation/ Demobilisation

Rental costs are paid at rates prevailing in the local housing market, up to the cost of an expatriate standard mid-range three bedroom apartment, as per DFAT's [Maximum Monthly Accommodation Rates](#) by city. Advisers may choose to rent accommodation at a higher rate than is covered by DFAT's maximum monthly accommodation rates for the relevant location. Excess rental costs will be at the Adviser's own expense. For locations where DFAT does not maintain a maximum rate, Advisers must obtain multiple quotes and submit these to DFAT for approval. DFAT reserves the right to request additional quotes from the Adviser if it is deemed the proposed costs are unreasonable or that insufficient efforts have been made to obtain a reasonable quote⁶.

- Rental bonds and deposits: Rental bonds and deposits will not be paid under the ARF. Advisers are responsible for the payment of any rental bonds or deposits.
- Utilities: Utilities (electricity and water) will not be paid under the ARF⁷;
- Shared accommodation: Advisers may choose to share accommodation, where DFAT finds this is reasonable, and provides value for money. In this instance, DFAT will reimburse the individual Adviser's contribution to the lease upon proof of expense.

Advisers are not eligible for the payment of accommodation costs if their Partner or Dependent receives an accommodation allowance from DFAT or another employer. Accommodation costs cannot be used to supplement the purchase of assets, therefore DFAT will not contribute towards an Adviser's mortgage.

⁵ Where a Long Term Adviser takes extended unpaid leave, payment of support costs ceases for the duration of the leave. Payment of Adviser Support Costs while on purchased leave may be granted at DFAT's discretion on a case by case basis.

⁶ Records should be retained to verify this process has been followed.

⁷ Accommodation costs may cover utilities where these form part of the rental fee under the lease agreement.

Mobilisation/ Demobilisation

These are reasonable one-off costs associated with mobilisation/demobilisation, and may include:

- necessary medical clearances and inoculations;
- uplift of effects and short term storage costs; and
- one return flight from the Adviser's home location for the Adviser and Dependents at the airfare class stipulated in the contract.

DFAT does not reimburse costs for: long term storage of personal effects in the Adviser's country of origin; pet transportation and quarantine costs; anti-malarial or other ongoing medications; mail redirection; furniture, manchester or other household items.

Attachment G: Management Fees

Management Fees vary depending on the market, company structure, location where services will be provided and the nature of services being procured. They are usually determined on a case by case basis as a result of a competitive approach to market. In instances where advisory services are directly sourced without a competitive process, DFAT staff should seek advice from CVB through the standard contract clearance process.

DFAT's treatment of Management Fees will vary according to the selection process and nature of the Adviser engagement.

- For Advisers engaged through an open competitive procurement process, either for individual activities or as part of teams, tender documentation will be structured so that Management Fees are separated from individual Adviser remuneration and any identified Adviser Support Costs. Management Fees will be assessed through the competitive assessment of tender proposals.
- For individual Advisers, Management Fees are limited to insurance costs that are not solely linked to the current assignment and therefore will not be reimbursed at cost (e.g. professional indemnity insurance) and a contribution to any office running costs. These overheads are capped at 10% of the total Adviser remuneration and must be clearly justified and documented. Individual Advisers cannot charge for profit.

For Advisers engaged through a company, Management Fees must be clearly documented and justified. DFAT staff should carefully consider this justification prior to consulting CVB for clearance.

Eligible Management Fee components will be defined in the contract and may include:

- profits, including commercial margins and mark-up for personnel and project management;
- financial management costs;
- costs of contractor administrative and head office staff, including any contractor representative(s);
- costs associated with establishing and maintaining premises and equipment, including utilities;
- insurance costs as required by the contract, but exclusive of the costs of medical insurance for Advisers;
- taxation, as applicable;
- costs of complying with the contractor's reporting and liaison obligations under the contract;
- costs associated with all personnel briefings in Australia or in-country;
- costs associated with any subcontracting and procurement of goods and services;
- costs, including domestic and international travel, accommodation, per diems, and local transport costs where required for contractor head office personnel;
- any other overheads required to perform the services; and
- any escalators; and any allowance for risks and contingencies.

The managing contractor's Management Fee (represented as a %) is the only fee payable by DFAT. If a managing contractor subcontracts to a third party, this is at the managing contractor's own cost and will not be reimbursed by DFAT.

Attachment H: Approvals for Premium Rates (above MRP) and above MPP

INTRODUCTION

Delegate approval is mandatory to engage an adviser at a remuneration rate above the **Market Reference Point (MRP)** or the **Maximum Pay Point (MPP)**.

The first step should be to make an offer to the adviser at the rate payable under the Framework. If the adviser declines then DFAT should consider whether any alternatives (different advisers or a change to the activity) are possible and demonstrate this process in the approval minute.

Note: Approval for Premium Rates must be sought separately for each engagement. Payment of an Adviser at Premium Rates for a past engagement does not justify Premium Rates for any subsequent engagement. Each case should be assessed on its own merits and the requirements of the position.

Where this approval is granted, the signed minute should be uploaded into AidWorks under the Premium Rates section of the Adviser record.

For reporting purposes, the Assistant Secretary (AS), CVB must receive copies of all Premium Rate approvals.

A. APPROVAL FOR REMUNERATION ABOVE THE MARKET REFERENCE POINT

Approval of remuneration at Premium Rates (above MRP) must be sought from the DFAT Assistant Secretary (AS) or Minister-Counsellor (SES Band 1) responsible for the budget from which the Adviser is being paid.

The Approval Minute must outline the business case and demonstrate:

- scarce skills and/ or outstanding past performance,
- negotiation process undertaken for engaging an Adviser at Premium Rates, and
- how the proposed engagement represents value for money.

1. Scarce Skills

Scarce skills refer to positions where there is a scarcity or shortage of qualified or experienced people. This could be due to a new emerging occupation, special licensing requirements (absolute scarcity) or difficulty in attracting expertise to certain industries or geographic locations (relative scarcity).

There are two methods to determine if a skill is scarce:

- Through an unsuccessful open tender or recruitment process where a nil response could support a case to pay premium rates to attract that skill, or
- By conducting market analysis before approaching the market to determine whether it will be possible to source a suitable adviser without paying a premium rate. Common approaches to market analysis include seeking advice from:
 - DFAT advisers, DFAT country managers and CVB,
 - other donors working in-country (some donors maintain consultant registers),
 - other Commonwealth, State, and Local Government departments and agencies,
 - industry associations,
 - publicly available scarce skills reports prepared by training authorities and industry bodies (note that these usually have a national rather than global focus), and
 - specialised HR firms (note that these can be very expensive).

When direct sourcing, DFAT must attempt in the first instance to obtain an adviser at a rate no higher than the MRP or to conduct market analysis before negotiating premium rates. It is very difficult to justify scarce skills if direct sourcing an adviser unless you can reference previous recruitment or procurement attempts.

2. Outstanding Performance History

An outstanding performance history is a significant factor in remuneration. A record of relevant and consistently high performance can be used to support a remuneration offer at the higher end of the Framework pay scale. Current contractor/ adviser performance information can be accessed through DFAT's [Contractor and Adviser Performance Register](#).

Approval Process

Staff wishing to engage an adviser above the MRP must submit approval minute to the relevant AS or Minister-Counsellor (SES Band 1). Assistant Secretary (AS) CVB should be copied on the Minute seeking approval to pay premium rates. A Clearance Minute template for paying premium rates above the MRP is at [Annex 1](#).

Where these approvals are granted, AS CVB must receive copies of all successful premium rate engagements. The signed approval minute should also be uploaded to AidWorks under the Premium Rates section for each Adviser.

B. APPROVAL FOR REMUNERATION ABOVE MAXIMUM PAY POINT

Approval of remuneration at Premium Rates (above MPP) must be sought from the First Assistant Secretary (FAS), Contracting and Aid Management Division (ACD).

For roles that require highly specialised technical advisory and advocacy skills, DFAT may seek to engage high profile and exceptionally qualified advisers. The profile, networks and reputation of such advisers can assist in securing essential high level political support or recognition for a program or development priority, and in influencing and improving policy dialogue with Australia's key development partners.

Due to the limited pool of high profile, highly specialised advisers and the demand for their services, a greater value is placed on their professional skills and attributes. As a result these advisers usually work at rates that exceed the MRP under the framework and rates need to be negotiated on a case by case basis.

A ***highly specialised adviser*** is an adviser with skills:

- required at a very high level of seniority or authority (e.g. chief economist or equivalent of a CEO or deputy CEO position),
- that are scarce, and
- that cannot be provided by any other adviser without affecting the quality of the aid program.

A ***high profile adviser*** is an adviser engaged primarily for their ability to raise the profile of the aid program and to play an advocacy role on DFAT's behalf. These advisers are usually highly awarded and internationally recognised experts or eminent persons such as former holders of senior government positions or highly regarded development experts.

The Approval Minute must outline the business case and address:

- why a high profile or highly specialised adviser is required,
- why no other adviser is able to provide the services at rates lower than MPP,
- why no other response is appropriate to meet the development need in question,
- negotiation process undertaken for engaging an Adviser at Premium Rates, and,
- how the proposed engagement represents value for money (including providing details of performance history).

Approval Process

Staff wishing to engage an adviser above the MPP must submit approval minute to FAS ACD. Prior to submission to the FAS ACD, the approval minute must be endorsed by the AS CVB. A Clearance Minute template for paying premium rates above the MPP is at [Annex 2](#).

Where these approvals are granted, AS CVB must receive copies of all successful premium rate engagements. The signed approval minute should also be uploaded to AidWorks under the Premium Rates section for each Adviser.

C. Approval for Rates above the MRP When Applying an Annual Escalator

Where technical inputs are sought, a company/ individual may include an annual escalator for specified Long Term Adviser positions in their financial proposal, capped at the most recent Australian Consumer Price Index (CPI). Escalation is subject to Adviser performance and productivity.

Approval for paying rates above MRP must be sought prior to contract execution in the [Approval of Evaluation Outcome and/or Approval to Commit and Enter into an Arrangement](#) minute.

- **For rates above MRP:** Where the application of an escalator has the effect of lifting the remuneration of an Adviser into Premium Rates (above the MRP), approval of the resulting Premium Rates must be sought from the relevant AS or Minister-Counsellor (SES Band 1)
- **For rates above MPP:** Where the application of an escalator has the effect of lifting the remuneration of an Adviser above the MPP, approval of the resulting rates must be sought from the FAS, ACD.

Where these approvals are granted, AS CVB must receive copies of all successful premium rate engagements. The signed approval minute should also be uploaded to AidWorks under the Premium Rates section for each Adviser.



Annex 1

Subject Approval for Adviser Remuneration above the Market Reference Point

Date

For Branch AS or Minister-Counsellor

Cc AS Contracting Services Branch (CVB)

Purpose

(Choose the most appropriate)

To seek your approval to engage an adviser above the market reference point indicated by the DFAT Aid Adviser Remuneration Framework due to the scarce availability of their skills.

To seek your approval to engage an adviser above the market reference point indicated by the DFAT Aid Adviser Remuneration Framework due to their outstanding performance history.

To seek your approval to engage an adviser above the market reference point indicated by the DFAT Aid Adviser Remuneration Framework due to the scarce availability of their skills and their outstanding performance history.

Background

Description of the activity and the expected outcomes.

Summary description of the Terms of Reference for the adviser role

If scarce skills are identified, specify what research you have done to justify this decision.

If an outstanding performance history is noted, include a summary of these activities and how they contribute to the Terms of Reference.

Negotiation

Demonstrate to your AS or Minister-Counsellor that a negotiation has taken place, detailing the process undertaken and any rates nominated by the adviser through the discussion.

Demonstrate how the adviser represents Value For Money.

Issues

Specify any positive or negative impacts that may arise from the engagement of this adviser at a premium rate (e.g. setting a precedent, unequal pay within a team)

Recommendation

That you agree to engage the following adviser/s at the proposed remuneration rate

Adviser Name	Adviser Position	Framework classification	Proposed remuneration AUD per day/ month	Adverse performance record? Y/N

[insert name]

[Insert position]

Date

APPROVED / NOT APPROVED / DISCUSS

[Insert delegate's name], [position]

Delegate's signature

Date



Annex 2

Subject Approval for Adviser Remuneration above the Maximum Pay Point

Date

For FAS Contracting and Aid Management Division (ACD)

Cc AS Contracting Services Branch (CVB)

Purpose

(Choose the most appropriate)

To seek your approval to engage a high profile adviser at a remuneration rate above the Maximum pay point indicated by the DFAT Aid Adviser Remuneration Framework.

To seek your approval to engage a highly specialised adviser at a remuneration rate above the Maximum pay point indicated by the DFAT Aid Adviser Remuneration Framework.

Background

Description of the activity and the expected outcomes.

Summary description of the Terms of Reference for the adviser role highlighting why a high profile or specialised adviser is required.

If an outstanding performance history is noted, include a summary of these activities and how they contribute to the Terms of Reference.

Negotiation

Demonstrate to the FAS that a negotiation has taken place, detailing the process undertaken and any rates nominated by the adviser through the discussion.

Demonstrate how the adviser represents Value For Money.

Issues

Specify any positive or negative issues that may arise from the engagement of this adviser at a maximum rate.

Recommendation

That you agree to engage the following adviser/s at the proposed remuneration rate

Adviser Name	Adviser Position	Framework classification	Proposed remuneration AUD per day/ month	Adverse performance record? Y/N

[insert name]

[Insert position]

Date

APPROVED / NOT APPROVED / DISCUSS

[Insert delegate's name], [position]

Delegate's signature

Date

Attachment I: Definitions

ACD	Contracting and Aid Management Division
Adviser	An internationally recruited individual who provides advice on the strategic direction and/or implementation of the Australian aid program, including technical expertise, leadership and oversight, or technical inputs to DFAT, counterpart governments or other development partners.
ARF	Aid Adviser Remuneration Framework
AS	Assistant Secretary
CPI	Consumer Price Index
CVB	Contracting Services Branch
Dependant	A person with whom the Adviser has a close personal relationship, shares accommodation or housing and for whom the Adviser provides financial or domestic support.
Dependent Child	A child under 21 years of age who is a natural, step- or adopted child of the Long Term Adviser, a child of the Long Term Adviser's Partner or a child for whom the Long Term Adviser is a legal guardian.
FAS	First Assistant Secretary
Long Term Adviser	An Adviser engaged for a continuous period of more than six months over the life of the contract and paid a monthly rate.
Mobilisation/ Demobilisation	Costs for Long Term Advisers for reasonable one-off costs associated with mobilisation and demobilisation.
Mobility Allowance	A monthly allowance intended to compensate Advisers for personal impacts and cost of living differences associated with leaving their permanent country of residence on a long term basis. This allowance is based on an equivalent allowance for long term DFAT posted staff. It is calculated as a percentage of salary and varies depending on whether the Adviser is accompanied by a Partner or Dependant(s).
Mobility Allowance Supplement	A monthly supplement to the Mobility Allowance intended to assist Long Term Advisers with the cost of educating a Dependent Child in-country.
MPP	Maximum Pay Point
MRP	Market Reference Point
Partner	A person with whom an Adviser has a close personal long-term relationship, shares accommodation/housing and provides the Adviser with financial or domestic support. This may include the Adviser's legally married or de-facto spouse or civil partner.
Premium Rates	Adviser rates above the MRP and below the MPP
Remuneration	The sum of an Adviser's base monthly/daily rate plus allowances (excluding Support Costs).
Short Term Adviser	An Adviser engaged for a period of less than six months, either continuously or over the life of a longer term contract and paid a daily rate.
Special Location Allowance	A monthly allowance intended to compensate Long Term Advisers working in difficult environments. It applies to Advisers engaged in Baghdad, Kabul, Islamabad, Abuja and remote locations outside of Port Moresby as determined by DFAT's Conditions of Overseas Service.
Support Costs	Expenses incurred by the Short Term Adviser or Long Term Adviser that are directly related to their assignment. These costs are reimbursed by DFAT at cost and up to a prescribed limit set by DFAT in the relevant contract.
TOR	Terms of Reference