



Australian Government
Defence Force Remuneration Tribunal

DECISION

Defence Act 1903

s.58H(2)(a)—Determination of the salaries and relevant allowances to be paid to members

SENIOR OFFICER GRADED STRUCTURE ANNUAL REVIEW

(Matter No. 12 of 2013)

THE HON. A. HARRISON, PRESIDENT

THE HON. A. BEVIS, MEMBER

BRIGADIER W. ROLFE, AO (Ret'd), MEMBER

CANBERRA, 01 AUGUST 2014

1. This decision is made in response to the third annual review of the Senior Officer Graded Structure (SOGS). In a paper submission made in January 2014ⁱ, the ADF confirm that all generalist Star Ranks have moved to the SOGS, that they do not seek any amendments, and that SOGS is now considered fully functional with implementation complete.

Background

2. The Senior Officer Graded Structure came into effect on 17 March 2011ⁱⁱ replacing the 2008 Star Ranks Management Framework as part of Matter 5 of 2010 – *Star Ranks Review*. This was as a result of a joint submission between the ADF and Commonwealth parties, the aim of which was to:

- a. be consistent with extant Australian Government policy;
- b. define and apply appropriate relativities between O6, O7, O8 and O9 officers;

- c. facilitate a smooth transition from the existing fully flexible 2008 framework to a more structured model;
- d. be transparent to all parties; and
- e. be easy to administer.

Each rank level featured an ‘on promotion’ rate and a single increment payable on the first anniversary of promotion to that rank with no lateral movement within the framework.

Previous Annual Reviews

3. 2011: In Matter 12 of 2011 the ADF returned the first annual review of SOGS and sought to amend placement methodology for O7 pay placement. This was as a result of lessons learnt in transferring O7 officers from their previous placement under the Graded Officer Pay Structure (GOPS). It was realised that O7 pay needed to be more focussed on the employment reality at the O7 level and not based on prior experience at the O6/O5 levels.

4. As a result of this change all members on SOGS O7 pay grade 1 were moved to O7 pay grade 2 which is now viewed as the ‘default’ O7 pay pointⁱⁱⁱ.

5. 2012: At Matter 17 of 2012 the second annual review of the SOGS was submitted and did not seek any changes. The report back was accepted in its entirety without amendment.

Submissions

6. The third annual review submitted by the ADF outlines how the ADF will maintain the SOGS framework; it proposes no further changes. The ADF consider SOGS to be fully implemented and seek the cessation of annual reviews on completion of this review.

7. The Commonwealth partially support the ADF proposal and do support the conclusion of annual reviews^{iv}. However, the Commonwealth question the relevance of maintaining pay grade 1 at the O7 pay point if it is obsolete. They propose that SOGS could be simplified by the removal of pay grade 1 at this level^v.

8. The Commonwealth submit that using the SOGS to inform star rank specialist pay structures would be premature when reviews of these categories are underway in some cases^{vi}.

Consideration

9. In the third annual review we have given consideration to the fact that all generalist Star Rank officers have moved from previous individual determinations to SOGS. We accept that SOGS has now moved beyond the implementation phase and that the need for annual reviews has subsequently diminished.

10. We note that the Commonwealth question the relevance of maintaining the O7 Pay Grade 1 when no member has been placed on that pay grade since 2011. We are not persuaded of any urgent need to rule on this issue and propose that it be considered as part of a biennial review or when consideration of the SOGS pay grades is next before us.

Conclusion

11. This decision approves the cessation of annual reviews of the SOGS with effect from the date of this decision.

THE HON. A. HARRISON, PRESIDENT
THE HON. A. BEVIS, MEMBER
BRIGADIER W. ROLFE, AO (Ret'd), MEMBER

ⁱ ADF Submission dated December 2013 - Matter 12 of 2013. Senior Officer Graded Structure 2013 Annual Review (Report Back).

ⁱⁱ DFRT Matter 5 of 2010 Senior Officer Graded Salary Structure Statement of 22 December 2010.

ⁱⁱⁱ ADF Submission, paragraph 1.8

^{iv} Commonwealth submission dated 3 April 2014 – Matter 12 of 2013

^v Commonwealth submission paragraph 10.

^{vi} Commonwealth submission paragraph 11.