



**Australian Government**  
**Defence Force Remuneration Tribunal**

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## STATEMENT

*Defence Act 1903*  
s.58H—Functions and powers of Tribunal

### **ROYAL AUSTRALIAN NAVY: GAP YEAR OFFICERS** (Matter 14 of 2018)

MS I. ASBURY, PRESIDENT

MR A. MORRIS, MEMBER

CANBERRA, 14 MARCH 2019

RADM J. GOLDRICK AO CSC RAN RTD, MEMBER

[1] This statement should be read in conjunction with our previous [decision](#)<sup>1</sup> in relation to this matter issued on 11 January 2019. In that decision we approved an interim rate of salary for the first cohort of Navy Gap Year Officers program participants commencing in January 2019 and required the Australian Defence Force (ADF) to return to us with its case for an enduring salary placement in March 2019. The ADF subsequently provided us with a supplementary submission proposing a revised approach for the Gap Year program.<sup>2</sup>

[2] Navy submits that the extant one-year program provided to Australian Defence Force Academy (ADFA) officer candidates before they start their degree studies – known as Navy Officer Year One (NOYO) – also delivers the desired outcomes of the Gap Year program. Navy intends to recruit Gap Year candidates with a deliberate eye to categories which are experiencing shortfalls in NOYO recruitment. Consequently it proposes that, from January 2020, Gap Year participants “*become, for all intents and purposes, NOYO candidates, treated and held to the same standards as every other NOYO Midshipman*”.<sup>3</sup> Navy intends to pay them at the same rate of \$32 476 per annum and states that Gap Year participants who successfully complete the 12-month program will become fully qualified Midshipmen and will be offered a placement at ADFA which they may choose to accept.

[3] The Commonwealth filed a supplementary submission<sup>4</sup> supporting the ADF proposal based on the “*practical advantage of introducing Navy Gap Year officers as ADFA candidates and remunerating them at the same rate*”.<sup>5</sup>

[4] The Commonwealth raised concerns as to:

- a. the practical issue of whether extending the low salary rate to future Navy Gap Year Officers will represent an attractive enough remuneration offer to draw candidates; and
- b. whether it is justifiable to apply a salary rate that is deliberately discounted to recognise the ADFs investment in, and participants’ time spent, completing a degree.<sup>6</sup>

[5] We gave consideration to the concerns of the Commonwealth that “*Gap Year Officers undertaking the NOYO program do not, and have no intention to go on to complete a degree, and this raises the question as to whether participation in NOYO is fairly remunerated*”. However, we accept that it is too soon to review the likelihood of participants taking up the offer of further study at ADFA and will seek data on this from the ADF at the conclusion of the current program.

[6] We accept that the ‘front-loading’ of the professional element of the Navy ADFA program as NOYO currently results in a salary disparity with Army and Air Force peers at ADFA. (i.e. ADFA Navy Midshipman are essentially in their second year of training when they commence their first year of ADFA training and are remunerated accordingly at \$38 381 versus \$32 476 for Army and Air Force; with this \$6,000 difference continuing in the second and third years at the Academy as each group moves to the next pay tier.) On the other hand, because of the provision of a ‘free’ degree inherent in the NOYO scheme, their pay level on entry is approximately \$12,000 less than the non-degree Naval Officer entrants with whom they train at the Royal Australian Naval College. We are concerned that this disparity in remuneration, coupled with disparity of the Army Officer Gap Year Officer remuneration of \$44 286 per annum, and Navy Other Ranks Gap Year participants at \$38 049 per annum may detract from attracting people to the Navy’s NOYO and Gap Year programs as officers. We consider that the disparity raises the broader issue of trainee remuneration across the ADF (last reviewed comprehensively in 2008<sup>7</sup>) and has now drawn attention to the present anomalies in salary rates.

[7] Given the salary differential with Army Gap Year, coupled with Navy’s clear desire to attract the most suitable people, we consider there is a need to further analyse trainee rates and trainee work value across the ADF. **We require the ADF to return to us in the June 2019 session of Tribunal hearings to further consider trainee rates of salary across all three Services, including the rates available for the Gap Year programs.**

**[8] We accept Navy’s decision to incorporate the Gap Year officers into the NOYO program from January 2020. Based on further advice sought from the ADF in conference on 5 March 2019 we agree to extend the interim salary rate set at \$38 049 for cohort 1, to cohort 2 (commencing July 2019) so as to support the link to the NOYO program from January 2020.**

MS I. ASBURY, PRESIDENT  
MR A. MORRIS, MEMBER  
RADM J. GOLDRICK AO CSC RAN RTD, MEMBER

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<sup>1</sup> [https://www.dfrt.gov.au/sites/default/files/decision\\_-\\_navy\\_gap\\_year.pdf](https://www.dfrt.gov.au/sites/default/files/decision_-_navy_gap_year.pdf)

<sup>2</sup> DMR/OUT/2019/01 Matter 14 of 2018 – *Navy Gap Year Officers – Salary Placement* (supplementary submission) dated 27 February 2019.

<sup>3</sup> *Ibid* page 3 paragraph 18

<sup>4</sup> Commonwealth submission Matter 14 of 2018 *Navy: Gap Year Officers* (supplementary submission) dated 29 February 2019.

<sup>5</sup> *Ibid* page 10 paragraph 81

<sup>6</sup> *Ibid* page 8 paragraph 68.

<sup>7</sup> Matter 24 of 2008 – *Trainee Pay*; with minor amendments made in Matter 9 of 2015 – *Review of Schedule B.13 Trainee Pay rates* and Matter 2 of 2017 – *Trainee Salary and Trainee Allowance*.