

Defence Force Remuneration Tribunal

DECISION

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

ARMY AVIATION RESTRUCTURE AND REVIEW

(Matters 2 and 3 of 2025)

MS B O'NEILL, PRESIDENT

MS A LESTER, MEMBER

MAJGEN G FOGARTY AO RETD, MEMBER

CANBERRA, 7 APRIL 2025

[1] This decision arises from two listing applications from the Australian Defence Force (ADF) for a determination to be made under Section 58H of the *Defence Act 1903* (the Act). The listing applications combined to seek a holistic restructure of five Other Ranks employment categories, from both the Australian Army Corps and the Royal Australian Corps of Electric and Mechanical Engineers,¹ and make amendments to Army's Officer Aviation workforce². Noting the overlap between the workforces, we elected to consider the matters together and issue this decision in the same way.

[2] We conducted an inspection in relation to this matter at 16 Aviation Brigade and 5th Aviation Regiment, RAAF Base Townsville on 26 February 2025. We subsequently considered these matters in a hearing on 27 February 2025, also at RAAF Base Townsville. Ms K Hagan appeared for the ADF and Mr K Wong for the Commonwealth. Brigadier A Thomas, Deputy Commander Aviation Command; Brigadier S Cleggett, Director General Army Aviation Systems; and Colonel D Flindle, Commandant Army Aviation Training Centre appeared as witnesses for the ADF.

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Background

[3] The Army Aviation capability supports the Australian Army, and the wider ADF, by providing attack, intelligence, surveillance, reconnaissance and an air assault capability. The Army's aviation assets are entirely rotary-wing aircraft (helicopters).

[4] The Aviation structure comprises several Corps, primarily Australian Army Aviation (AAAvn) and the Royal Australian Corps of Electrical and Mechanical Engineers (RAEME). Soldiers within the aviation capability provide aircrew and ground crew and are primarily employed within the 1st Aviation Regiment, the 5th Aviation Regiment, the 6th Aviation Regiment, 20th Regiment Royal Australian Artillery, the 16th Aviation Brigade and the Army Aviation Training Centre. Soldiers are remunerated under the Graded Other Ranks Pay Structure (GORPS).

[5] Aviation officers, consisting of Aviation Officer Pilots and Aviation Operations Officers are employed in the 16th Aviation Brigade. Officers are remunerated under the Officer Aviation Pay Structure (OAPS) determined by this Tribunal in Matters 6 of 2018 and 5 of 2016.³

Submissions

[6] In both of these aligned matters, the ADF seeks to provide a more robust Aviation capability. In Matter 2 the ADF specifically seeks to contemporise the Aviation capability categories via the following:

For Aircrewman

- a. amend the employment category name to Aircrew Operator; and
- b. amend the skill grade structure, skill grade names and pay grade placements.

For Groundcrewman Aircraft Support

- c. amend the employment category name to Aviation Groundcrew;
- d. amend the skill grade structure, skill grade names, pay grade placements and career progression requirements; and
- e. add skill grades to facilitate Reserve and ADF Gap Year workforces.

For Groundcrewman Mission Support

- f. amend the employment category name to Aviation Operations Specialist;
- g. amend the skill grade structure, skill grade names, pay grade placements and career progression requirements; and

h. add skill grades to facilitate Reserves and ADF Gap Year workforces.

For Technician Aircraft/Technician Avionics

- i. amend the employment category names to Aircraft Technician and Avionics Technician;
- j. amend the skill grade structures, skill grade names, pay grade placements and career progression requirements; and

For Aeroskills Technician Specialist

k. establish a specialist career stream known as Aeroskills Technician Specialist as an adjunct to the restructures Technician Aircraft and Technician Avionics employment categories.⁴

[7] In Matter 3 the ADF specifically seeks to amend some of the elements established in Matter 6 of 2018 in order to improve workforce disposition and reduce workforce pressures by:

- a. establishing a system for selected senior Army Pilots (O5 and above) to be reinvested and employed at a lower rank, referred to as the Experiential Reinvestment of Senior Aviators (ERSA);
- b. amending the salary advancement in the OAPS for Combat Pilot Troop Commanders to occur on appointment; and
- c. increasing the salary placement of Army Rotary Wing Pilots (RWP) at O6 rank to OA37 bringing them into alignment with the salary placement of Air Force Fixed Wing pilots at O6 rank.⁵

Commonwealth

[8] The Commonwealth supported the ADF proposals in both Matters 2 and 3 and noted the financial costings of each submission.⁶

[9] It noted the work value assessments conducted for employment categories receiving a change in pay grade as well as the newly proposed Aeroskills Technician Specialist Stream.

[10] The Commonwealth questioned whether the inclusion of 8 new skill grades at pay grade 9 will have 'any impact upon established relativities with Army employment categories that sit at the upper ranges of the GORPS'.⁷

[11] It did query whether the ERSA scheme may risk compromising capability by diverting more senior officers to perform lower rank duties.

Witness Evidence

[12] Brigadier (BRIG) A Thomas gave written and oral evidence on the strategic drivers for change and on the ongoing platform modernisation impacting the workforce. BRIG Thomas explained that the 'underlying principles of this modernisation have been guided by a review into Army Aviation undertaken by Air Chief Marshal Sir Angus Houston (Rtd) in 2016' which concluded that 'there were Fundamental Input to Capability deficiencies that were preventing Army Aviation from generating capability most effectively'. BRIG Thomas stated the four factors identified were:

- a. problematic aircraft;
- b. sub-optimal geographic dispersal;
- c. sub-optimal command and control arrangements; and
- d. inadequate mass and density.⁸

[13] BRIG Thomas summarised a 'Capability Review of Army Aviation in June 2022 to include a Workforce Segment Review and Establishment Review' which 'rebalances organisational design and trade structures to meet operational demands'.⁹ He explained that the remuneration proposals are the 'final processes of the Workforce Segment Review, designed to support the Employment Specifications in order to modernise the Army Aviation workforce to support the complexities of Aviation Capability modernisation'.

[14] BRIG Thomas further expanded on the Reviews in the hearing, outlining the outcomes which have 'brought together Army Aviation, all the functions that are required to ensure the airworthiness and the command of Aviation forces in a single headquarters to ensure that the capability is able to be delivered in an airworthy and efficient manner'.¹⁰

[15] He explained that 'Townsville is where we will establish our Aviation centre of mass' and how 'we have moved the command element Headquarters 16 Brigade to Townsville to allow us to generate efficiencies'. BRIG Thomas also explained the impact of the Battle Aviation Program which, at the same time, will see an increased investment over the next decade with a 'modernised fleet inclusive of the AH064E Apache, UH-60M Black Hawk, CH-47 Chinook and Integrator Tactical Unmanned Aerial System' which will 'introduce technology advancements and additional demands on the workforce'.¹¹

[16] Colonel (COL) D Flindle gave written and oral evidence on Army's operational aviation context, current issues impacting the aviation workforce and details about the changes sought for the Army Aviation Corps employment categories for Officers and Other Ranks. Following on from the Reviews he outlined how the '*transition has placed greater demands on our workforce to adapt*

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to increased skills, training and accountability'. He stated that 'a feature consistent across the aviation workforce is training our people to a higher level with more cross-skilling' and explained how, at the same time, 'the fundamental systems have increased in breadth (how and where they are employed and integrate) and complexity (how the systems operate and function'.¹²

[17] He considered there are 4 common elements that relate to aviation ground trades and aircrew operator being: the arrival of new and complex aircraft; the emergence of compounding and complementary technology and requirements; the increased diversity of the operational environment; and the 'critical' and 'at risk' nature of the roles.¹³

[18] He also gave detailed evidence on the ERSA which is '*expected to have a direct impact on increasing aviation safety and capability*' and be '*sought and offered for a fixed term, either annually or biennially, and will target Lieutenant Colonel (LTCOL) and above*'. He stated it is also expected to '*attract and be offered for up to 10 officers at any point in time*'.

[19] COL Flindle expanded on Troop Command where he considered '*delayed remuneration* has had the effect of shaping workforce behaviour, attracting members towards Combat Pilot (Specialist) pathways and away from Combat Pilot (Generalist), or indeed out of the service, at a time when increased Command responsibility requires investment and appropriate reward'.¹⁴

[20] With relation to O6 salary placement, COL Flindle considered, by this rank, Pilots are senior ADF officers '*capable of fulfilling a wider range of single or multi-domain rotational roles*' so '*remuneration should be based on a whole of business approach as opposed to their Pilot qualification*'.¹⁵

[21] BRIG S Cleggett gave written and oral evidence particularly in relation to the trades of the Aircraft Technicians, Avionics Technician and the proposed Avionics Technician Specialist. He expanded on the current issues affecting the Aviation Technician workforce - from technical policy, Defence Aviation Safety Regulations, and licensing requirements - and 'a lack of growth in maintenance workforce despite increasing expectations of flying hours and fleet size and problematic and resource intensive aircraft platforms'.¹⁶

[22] He outlined the emphasis of the new stream of Aeroskills Technician Specialist as being 'designed to focus the attention of technicians on specialist technical skills and mastery rather than in support of more 'generalist' functions such an command and leadership, maintenance production and planning' with the opportunity to 'specialise in their base trade, or attain dual-categories'.¹⁷

[23] He considers that, in addition to the platform transitions, the implementation of the Aviation Support Battalion (ASB) sees a '*fundamental shift from the previous command and control arrangements for Army Aviation maintenance in order to more effectively array the technician workforce'*. This will result in the 1st and 5th Aviation Regiments maintaining '*smaller maintenance footprints'* with the ASB in Townsville responsible for maintenance for both the AH64-E and CH-47F helicopter fleets.¹⁸

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Consideration

[24] We accept these submissions have been made in the context of a series of workforce and capability reviews conducted from 2016 through to 2024 and note these all resulted in changes to the Aviation Command organisation and establishment with effect from 1 January 2025. We accept these changes are intended to restructure the workforce and organisation 'to meet future ADF demands of the Army Aviation capability to 2030'.¹⁹

[25] We accept that one outcome of the *National Defence Strategy 2024²⁰* is further modernisation with '*every major combat system in Army Aviation*' needing to be '*upgraded or replaced over coming years*'.²¹ We accept that, in addition to modernised structures and workforce initiatives, new modernised aircraft capabilities of the AH-64E Apache, UH-60M Black Hawk, CH-47F Chinook helicopters and the Integrator Tactical Unmanned Aerial Surveillance will introduce technology advancements and additional demands on the workforce. These include advanced training requirements, professional development and competencies for each employment category.²²

[26] We note the evidence that the workforce health status of the relevant Army aviation employment categories is as follows:

- a. Aircrewman. Unhealthy with 72% of the required full-time workforce with only 57% at the rank of Sergeant achieved.
- b. Groundcrewman Aircraft Support. Marginally unhealthy with 85% of the required fulltime workforce with most vacancies at the Non-Commissioned Officer (NCO) ranks.
- c. Groundcrewman Mission Support. Unhealthy with 69% of the required full-time workforce. Large vacancies of 55% above the rank of Private.
- d. Technician Aircraft. Unhealthy with 69% of the required full-time workforce expected to flow into the NCO ranks over the next 5 years.
- e. Technician Avionics. Marginally unhealthy with 73% of the required full-time workforce with low inflow unable to generate sufficient Sergeants.²³

[27] We have been aware for some time that Army has been reporting an increasing trend in separations, coupled with decreasing numbers of Rotary Wing Pilots (RWP) graduates each year and an existing trained workforce shortfall of 50 officers²⁴ – clearly posing a high risk workforce.

[28] We considered the role, function and employment of the proposed Aeroskills Technician Specialist and accept it allows '*selected Aircraft Technician and Avionics Technician soldiers to specialise in their trade at the expense of some generalist skills*'. We note the evidence that the career stream commences at skill grade 3 enabling a technician to become an expert in a trade or trades from that point in their career.²⁵ We accept this will '*result in quicker and safer maintenance activities, more hours of flying and improved workloads for the broader workforce*'.²⁶

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[29] In the hearing, we addressed the Commonwealth concerns for pay relativities at pay grade 9 and agree with its further evidence in the hearing that '*the pay and skill grades changes to the Other Rank workgroups are sufficiently justified and accounted for*'.²⁷

[30] We considered the evidence in regard to Troop Commander, having already been made aware of the issue during a report back on ADF Rotary Wing Aviation in Matter 17 of 2024.²⁸ We accept the evidence in that Troop Command offers '*no immediate remuneration benefit on appointment, usually from Captain (CAPT) year 4*' and rather is a '*delayed recognition of Command in a CAPT*'s 7th year'.²⁹ We accept this, in part, can result in some Troop Commanders being promoted before their 7th year and never receiving remunerative recognition for the work performed.

[31] In relation to the ERSA, we considered the evidence that the engagement is a targeted initiative and will be available through application with the offer of a limited tenure (optimally 2 years). We note this is intended to attract '*experienced and senior aviators*' who '*have a wealth of experience that could be used at the tactical level*'. We accept the ERSA will offer selected officers '*the opportunity to serve in various roles, focusing on flying and flying related staff appointments at the rank of CAPT or MAJ*.'³⁰ In the hearing, we queried the perishable skills of senior pilots and accept the evidenced of COL Flindle that '*the combination and that focus and the experience means that I am sure that they will be far more effective, far less distracted and be able to build on what is a substantially greater experience – background experience - than any of our junior aviators have (i.e. low hundreds of hours versus thousands of hours).³¹*

[32] We accept that, on completion of an ERSA agreement officers will revert to their original pathway and career stream at the rank and seniority held before ERSA transfer. We accept it will be an 'agreement' with 'approximately 10 officers at any given time'.³²

[33] We considered the evidence that there is a current salary increment cap for officers at the O6 rank in Navy and Army under OAPS at OA increment 36. We considered Army's view that this constraint is '*no longer relevant*' as at this rank, all pilots are senior ADF officers capable of fulfilling '*a wide range of single or multi-domain rotational roles*'. We accept that at this level their remuneration should be based on a '*whole-of-business*' approach as opposed to their pilot qualifications.³³ We recognise that Navy do not wish to be aligned with this approach at this time.

Conclusion

[34] We agree the commencement of the Aeroskills Technician Specialist and recognise the new stream focusses on specialist technical skills and mastery with members able to specialise in one or both trades between Aircraft and Avionics Technician. We accept this will these members develop deeper diagnostics skills than their generalist counterparts.

[35] We agree that the additional work value of Troop Commander should be recognised on appointment so that remuneration adequately recognises the additional responsibilities during the entire time the role is performed.

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[36] We accept the default worn rank for ERSA members will be CAPT with MAJ by exception. We agree that ERSA members be placed on salary non-reduction provisions for the duration of their appointment to protect their salary at their original rank, thereby avoiding financial detriment and accept this has no bearing on their rank.

[37] We agree that eligible Army RWP officers of the O6 rank should be remunerated in line with Air Force Fixed Wing officers, thereby addressing equity and equivalency in appointments. We accept this will affect a small number of officers only. We accept Navy has not sought to do the same and consider that a matter for it, while encouraging it to return to us if required.

[38] We particularly wish to thank BRIG F Thompson CSC, Commander 16 Brigade, and LTCOL R Bremner and the members of 5th Aviation Regiment, as well as the Commandant and members of the Army Aviation Training Centre, for the extensive evidence at the inspection and the enormous amount of effort involved in making the day as seamless and instructive as it was. The detail of the inspection added immense value and understanding to the complexities of these proposals.

[39] We agree the proposals as sought in paragraphs 6 to 7 in their entirety.

[40] Noting, in particular, the workforce trends and external market factors of the aviation industry we ask the ADF to return to us at the 2 and 5 year marks on the progress of the restructure and review outcomes with particular attention to the ERSA.

[41] Determinations 2 and 3 of 2025 give effect to our decision from 8 May 2025.

MS B O'NEILL, PRESIDENT MS A LESTER, MEMBER MAJGEN G FOGARTY AO RETD, MEMBER

Appearances:

Ms K Hagan for the ADF *assisted by Squadron Leader Lucy Hawkett Mr K Wong* for the Commonwealth *assisted by Mr C Johnson*

Witnesses:

Brigadier A Thomas, Deputy Commander Aviation Command and Director Aviation, Head of Corps of Australian Army Aviation Corps

Brigadier S Cleggett, Director General Army Aviation

Colonel D Flindle, Commandant Army Aviation Training Centre, Staff Officer Aviation Command Workforce.

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³ <u>https://www.dfrt.gov.au/matters/adf-rotary-wing-aviation-officers</u> and <u>https://www.dfrt.gov.au/matters/air-force-officer-aviation-pay-structure</u>

⁴ ADF Submission Matter 2 of 2025 Army Aviation: Restructure of Employment Categories (Other Ranks) dated 14 February 2025 (ADF1) pages 1 and 2 paragraph 1.6

⁵ ADF Submission Matter 3 of 2025 Army Aviation: Workforce Review Officer Aviation (ADF2) page 1 paragraph 1.5.

⁶Commonwealth Submission Army Aviation: Restructure of Employment Categories (Other Ranks) dated 14 February 2025 (CWLTH 1) and Commonwealth Submission Army Aviation: Workforce Review Officer Aviation dated 13 February 2025 (CWLTH 2).

⁷ CWLTH 1 page 16 paragraph 73.

⁸ Affidavit of Brigadier A Thomas dated 18 February 2025 (ADF3) page 3 paragraph 13.

⁹ ADF3 page 8 paragraph 40.

¹⁰ Transcript27 February 2025 page 15 lines 31 to 37.

¹¹ ADF3 page 5 paragraph 23.

¹² Affidavit of Colonel D Flindle dated 24 February 2025 (ADF4) page 4 paragraph 19.

¹³ Transcript 27 February 2025 pages 27 and 28 lines 18 to 5.

¹⁴ ADF4 page 12 paragraph 54.

¹⁵ ADF4 pages 13 and 14 paragraph 60.

¹⁶ Affidavit of Brigadier S Cleggett dated 20 February 2025 (ADF5) pages 10 and 11 paragraph 36.

¹⁷ ADF5 page 9 paragraph 29.

¹⁸ ADF5 page 15 paragraph 48.

¹⁹ ADF2 page 14 paragraph 4.6.

²⁰ <u>https://www.defence.gov.au/about/strategic-planning/2024-national-defence-strategy-2024-integrated-investment-program</u>

²¹ Transcript page 3 lines 17 to 20.

²² ADF1 page 29 paragraph 4.5.

²³ ADF1 pages 25 and 26 paragraph 3.38.

²⁴ ADF2 page 12 paragraph 4.1.

²⁵ ADF1 page 38 paragraph 4.34.

²⁶ Transcript page 10 lines 43 to 45.

²⁷ Transcript page 11 lines 28 to 30.

²⁸ https://www.dfrt.gov.au/matters/adf-rotary-wing-aviation-report-back

²⁹ ADF2 page 16 paragraph 4.14d.

³⁰ ADF2 pages 14 and 15 paragraph 4.9.

³¹ Transcript pages 34 and 25 lines 44 to 4.

³² ADF2 page 21 paragraph 5.8.

³³ ADF2 page 19 paragraph 4.19.

¹ DMR letter BN92291908 Listing Application: Army Aviation: Restructure of Employment Categories (Other Ranks) dated 2 December 2025.

² DMR letter BN92288651 Listing Application: Army Aviation Workforce Review – Officer Aviation dated 2 December 2025.