

**DEFENCE FORCE REMUNERATION TRIBUNAL**

**MATTER 26 OF 2008**

**AIRCREW SUSTAINABILITY PROJECT**

**REASONS FOR DECISION**

**Background**

On 15 April 2008, the Australian Defence Force (ADF) briefed the Tribunal on the Aircrew Sustainability Project (ASP), its primary purpose being to “*establish a sustainable workforce model for ADF aircrew capable of delivering the required capability with effective return on investment*”.

The ADF listed three primary objectives for the project: delivery of an acceptable and sustainable aircrew remuneration system; delivery of a non-financial initiatives framework; and the delivery of sustainable workforce structures in order to meet ADF/Defence capability requirements. To achieve these objectives, the ADF presented a “*Total Employment Package*” concept, which included remunerative elements within the jurisdiction of the Tribunal.

During the Graded Other Ranks Pay Structure (Matter 3 of 2008) hearings, the ADF proposed that the family of Other Ranks Aircrew jobs (“Aircrew Family”) be dealt with as a separate matter. The Tribunal agreed to this.

**Submissions and Evidence**

In a joint submission on 18 and 19 November 2008, the ADF and the Commonwealth proposed placements for the ADF Aircrew Family across Pay Grades 3 – 8 of the Graded Other Ranks Pay Structure.

The ADF and Commonwealth submitted that the proposal for the Aircrew trades completes a fundamental shift in the way the Aircrew trades had been traditionally remunerated via Flying Allowance (Q&S). It is to apply to three categories of members as follows.

Firstly, for prospective entrants to the Aircrew Family, the ADF and Commonwealth proposed changing the pay advancement model from ‘time based’ criteria, applied at the same rates for all Aircrew trades, to ‘competency based’ criteria linked to achievement of key milestones for each Aircrew trade.

This part of the proposal was said to have the following additional characteristics:

- The pay placement band is reduced in span when compared to the band which would otherwise result from the ‘simple transition’ methodology applied in placing many Categories in the Graded Other Ranks Pay Structure (i.e. applying ‘simple transition’, the present pay dispersion of all Aircrew Categories over Pay Groups 3-11 would translate to Pay Grades 3–9, whereas the proposed Aircrew band spans Pay Grades 3 through 8).
- The highest points of the pay bands occupied by the RAN Aircrewman, ARA Aircrewman, RAAF Loadmaster and RAAF Crew Attendant Categories would reduce, in recognition of the relative capability and work value attributable to the Categories within the Aircrew Family and broader GORPS placements.

- Pay profiles would maintain a differential between the Aircrew trades performing a technical or Electronic Warfare (EW) function (i.e. RAN Aircrewman Sensor Operator and RAAF Airborne Electronic Analyst and RAAF Flight Engineer) and the Aircrew trades performing non technical EW functions, in recognition of distinctions in complexity of training, tasking and roles.
- There would be a common start point at Pay Grade 5 for all Aircrew trades (with the exception of the Crew Attendant trade), in recognition of the high levels of responsibility devolved to even the most junior Aircrew members and the need to draw Aircrew laterally from pre-existing ADF employment.
- The introduction of competency based criteria for advancement would change the disposition of Aircrew within the pay bands. While the centre of the pay band is heavily populated, only those members who obtain the highest levels of competency will reach the highest points of the pay bands.

Secondly, for all existing members of the Aircrew trades and Army RAEME Aircrewman technician trade, the ADF and Commonwealth proposed to apply the 'simple transition' methodology and to maintain the existing criteria for advancement in each category. This was proposed on the basis of reviewing four options for current Aircrew:

- Option 1 - Immediate transition and placement in accordance with assessment against new competency criteria;
- Option 2 - Transition via the 'simple transition' methodology and application of a sunset period in which members would be required to achieve the new prescribed competency criteria to maintain existing placement and to achieve further progression;
- Option 3 - Transition via the 'simple transition' methodology and application of a prescribed period of protection for existing members to advance in accordance with existing criteria for pay advancement; and
- Option 4 - Transition via the 'simple transition' methodology and continued advancement in accordance with existing criteria. A one way election would be available for members to transfer to the new competency based system.

Thirdly, for members of non Aircrew trades who perform transitory or temporary flying roles, the ADF and Commonwealth propose a 'plus one' Pay Grade adjustment, to recognise additional skills and responsibilities associated with performance of flying roles. The practical result would be:

- All prospective RAEME trade members employed as Aircrewmen Technicians on the Army CH47 (Chinook) aircraft would advance by one Pay Grade over parent trade placement, to a maximum of Pay Grade 7, for the period that competency and liability are maintained in accordance with the Graded Other Ranks Pay Structure management principles; and
- All Hydrographic Systems Operators employed within the Laser Airborne Depth Sensor unit would advance by one Pay Grade over parent trade placement, to a maximum of Pay Grade 6, for the period that competency and liability are

maintained in accordance with the Graded Other Ranks Pay Structure management principles.

The ADF and Commonwealth proposed the following Aircrew pay grade placements:

	PG-3	PG-4	PG-5	PG-6	PG-7	PG-8
<b>RAN Aircrewman</b>			Basic Aircrewman	Advanced Utility Aircrewman	Sensor Operator	Sensor Operator Qualified Aircrewman Instructor (QAI)
<b>RAAF Airborne Electronics Analyst</b>			Initial Qualification (D Category Radar and Electronic Support Measure (ESM))	C Category Radar and ESM	B Category 1 Station + C Category 1 Station or C Category 3 Stations	Squadron Standards Appointment or QAI
<b>RAAF Flight Engineer</b>				Initial Qualification	Full Mission Qualified	B Category Operator
<b>RAAF Loadmaster</b>			Initial Qualification	Airborne Operations (Full Mission Qualified)	Instructor Qualification	
<b>RAAF Crew Attendant</b>	Initial Qualification	C Category	Cabin Supervisor	Cabin Supervisor Check Qualified		
<b>Army Aircrewman</b>			Initial Qualification	Advanced Aircrewman	QAI or Senior Aircrewman Instructor	

The ADF and Commonwealth proposed no differentiation between Reserve and Permanent Force members of the relevant trades on matters of placement or transition.

Further, they submitted that the same date of effect of 4 September 2008 should apply to these proposals as to other Graded Other Rank Pay Structure placements.

#### Those Consulted

On 18 November 2008, the Tribunal met with a wide range of ADF Warrant Officers and Other Ranks Aircrew to hear views on the proposed placements and their rationale, and on any cross-Service issues. Members' comments on the merits of the proposed competency based and time based progression models and transition issues were particularly helpful.

#### Witness Evidence

During the course of the proceedings witness evidence was provided by:

- Group Captain Christopher Keith Crowley, Air Force Personnel Capability Manager;
- Commodore Anthony Carl Dalton, Commander Australian Navy Aviation Group;
- Colonel Brett Andrew Greenland, Commander Aviation Training Centre.

A statement by Air Vice Marshall Mark Skidmore, Air Commander Australia, was also tendered.

### **Consideration**

At the conclusion of the Hearing on 19 November 2008 the Tribunal announced its approval of the ADF and Commonwealth proposal as put, including the operative date of 4 September 2008. We have subsequently included the relevant pay grade placements in Determination 25 of 2008, issued on 24 December 2008 to cover all the ADF Other Ranks workforce.

There are four elements of the approved proposal we need to comment on in these Reasons for Decision.

Firstly, the change from time-based to competency-based progression for prospective Aircrew members brings these categories into line with most ADF Other Ranks categories. The effluxion of time as an approximation of growing competency and work value which merits pay grade movement has been a convenient, but dubious, simplification. The Tribunal notes that the ADF has invested the time and effort to develop workforce structures which give recognition to those motivated and proficient members in these trades who progress more rapidly in the application of skills to their work. However, management of this workforce has thereby become more demanding, because the ADF assumes the obligation to minimise the extent to which members may be held back in their skill development to meet particular Service requirements. We are satisfied that the ADF makes this change with "eyes open" to the management overhead it takes on with a competency-based system. In this respect, management of Aircrew trades will be consistent with the management challenges for other trades, and the opportunities for individuals increase. Continuation of a time-based progression model for Officer Aircrew consequently becomes even more apparent as an exception.

Secondly, we comment on the other aspect of such a change in approach. We had no hesitation in endorsing the parties' preferred Option 4 for managing the transition of current Aircrew members. That is, it is the individual member's option whether to continue in the previous time-based progression model or to make a one way election to transfer to the competency-based structure. The agreed proposal before us involved no time limit on when that election may be made, but the ADF proposed reviewing that after some experience with the new Aircrew structures, keeping open the possibility of specifying a timeframe within which any election is to be made. Currently, the Tribunal sees no downside in an open-ended election period for members, but we recognise the sense of reviewing the operation of the transition arrangements in a year's time. Given the scale of aircraft changeovers in plan or contemplation for coming years, that review will be part of a broader report back on progress or issues with the adoption of the new progression model and trade structures.

Thirdly, placements of the Aircrew categories into the Graded Other Ranks Pay Structure are contemporaneous with placement of the rest of the ADF Other Ranks workforce in that structure. We accept that the proposed placements have taken account of cross-Service considerations and relativities with other ADF trades, and that a similar rigour and consistent approach has been applied. Where changes (real or perceived) to relative placements in the pay structure were proposed – such as RAAF Crew Attendants or Flight Engineers – such changes were proposed with good reason and were the subject of evidence and discussion with affected members. Given the range of relative judgements we have had to make in placement of all Other Ranks categories in the new structure, we have accepted the Aircrew placement proposals as soundly based and consistent with other ADF category placements.

Lastly, there was an element of retrospectivity in the determination that Aircrew placements would have a date of effect of 4 September 2008. This is unusual in the Tribunal's deliberations and results from two considerations. The ADF and Commonwealth both argued, and the Tribunal accepted, that Aircrew should be treated consistently with the rest of the ADF Other Ranks population. The date of effect for the broader Other Ranks placement decision arose from the particular circumstances in which that matter was concluded and decided. Consequently, we were satisfied that there was no reason for applying a different date of effect for Aircrew to that applying to the rest of the ADF Other Ranks population.

Accordingly, placements approved for Other Ranks Aircrew Categories were consolidated as part of Determination 25 of 2008, covering the ADF Other Ranks workforce.

### **Decision**

In summary, the Tribunal has

- approved the Other Ranks Aircrew Family placements as sought to apply to prospective Aircrew members;
- endorsed placements and transition arrangements proposed to apply to current members in Aircrew categories;
- scheduled for the ADF to report back in 12 months on implementation of Aircrew placements and transition issues.

### **Appearances**

R. Kenzie QC, Defence Force Advocate, with Lieutenant Debra Talbot for the Australian Defence Force.

M. O'Neill, Commonwealth Advocate, for the Commonwealth.

### **Dates and Places of Hearings**

18-19 November 2008, Canberra