



Australian Government
Defence Force Remuneration Tribunal

DECISION

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

AIR FORCE: OFFICER AVIATION PAY STRUCTURE (Matter 5 of 2016)

MS I. ASBURY, PRESIDENT

MR A. MORRIS, MEMBER

CANBERRA, 7 MARCH 2018

RADM J. GOLDRICK AO CSC RAN RTD, MEMBER

[1] This decision concerns an application¹ made by the Australian Defence Force (ADF) under s.58H of the *Defence Act 1903* (the Act) for the implementation of a ‘multi-mode’ pay structure to remunerate Air Force officer aviation members, to be known as the Officer Aviation Pay Structure (OAPS). The proposed structure contains three employment pathways: the Specialist, Command and Staff pathways with officers able to move between them without loss of remuneration.

[2] Tribunal members participated in an inspection on this matter from 8-10 August 2016 in Darwin during Exercise PITCH BLACK. Formal conferences were held on 3 November 2016 and 3 August 2017 with the hearings into the matter held on 12 July 2017, 16 August 2017 and 8 December 2017.

Background

[3] The Air Force officer aviation workforce consists of around 2000 members responsible for the application of ‘air power’.² The workforce presently consists of various employment categories from pilots to air combat officers and air traffic controllers.

[4] Presently, Air Force officer aviation (OA) members are remunerated under one of three salary structures, being the:

- a. Graded Officer Pay Structure – Legacy system
- b. Graded Officer Pay Structure – Competency/Career Stream; or
- c. Officer Aviation Specialist Structure

[5] The Tribunal last considered the entirety of ADF officer aviation workforce in Matter 3 of 2009 - *Officer Aviation Remuneration Structure* (OARS) which encompassed the Graded Officer Pay Structure (GOPS) and the Officer Aviation Specialist Structure (OASS) with both salary structures operating under different principles and procedures. The decision in that matter also approved an Air Traffic Controller Capability Allowance and an Aircrew Capability Allowance.³

[6] Throughout this decision we refer frequently to the OARS and OASS frequently. The OARS refers to the above-mentioned 2009 aviation remuneration structure for qualified officer aviation members which took effect from 1 October 2009. The OARS sought to “*manage the ADF aviation workforce as a singular group in recognition of the external market forces and internal capability drivers impacting the sustainability of the group.*”⁴ On commencement it comprised three principal components: a Career Stream in which pay grades are underpinned by GOPS, the Specialist stream (known as the OASS), and the two capability allowances (referred to in the previous paragraph) which were in place for two years only. The specialist stream and the allowance were established independently of GOPS.

[7] OARS and OASS remain applicable to eligible members of the Navy, Army and Air Force including Permanent Forces and Reserves. OARS allowance remains applicable to selected Air Force pilots only. Reserve members are not eligible to be paid the OARS Allowance.

[8] We will now expand on each of the components of the present OARS.

PRESENT SITUATION

Legacy System

[9] The legacy stream refers to the pay system in place to accommodate eligible aircrew who were not obliged to transition to the OARS in 2009. It is, essentially, the retention of a ‘closed’ time-based system with the additional capacity to pay the OARS allowance to eligible members. The ADF state that current experienced OA members are “*almost exclusively*” subject to the Legacy system.⁵

Competency/Career Stream

[10] The competency stream is the intended default position within OARS, in that all officers who were not entitled to protection under the legacy stream entered the career stream at an appropriate point and progressed through it unless selected for transfer to the

specialist stream. The ADF submit that this cohort is now nearing completion of their Initial Minimum Period of Service (IMPS).

Specialist Stream

[11] The purpose of the specialist stream/OASS was to be able to develop and retain officers with a deep level of aviation knowledge and to compensate them for electing to remain in aviation units rather than progress through a broader Air Force rank and career path. OASS was based on individual rates of pay designated in an ‘aviation specialist’ 30 increment salary spine which spanned the GOPS range. Entry was limited to commencement following IMPS for the duration of a fixed term agreement.

OARS Allowance

[12] Subsequent to the capability allowances, the OARS allowance was established in 2013 to be paid to a “*specifically identified cohort of Air Force pilots within the OARS*”.⁶ It is an annual completion payment of \$25k per annum based on effective service for an eligibility period to 31 December each year and is paid to eligible Permanent Air Force members (or Reserve members undertaking continuous full-time service). The allowance was principally established to provide salary supplementation to pilots in order to regulate flow and distribution through career and specialist streams.

[13] In establishing the OARS Allowance the Tribunal agreed in the decision that “*while OARS presented two employment pathways an effective workforce flow model must also consider separation to industry on completion of IMPS.*” The Tribunal agreed that the allowance “*warranted testing over several years*” and that “*regular report backs will aid in determining the success of this targeted approach.*”⁷

[14] At the time of commencing this matter in 2016 the Commonwealth raised concerns that the ADF had brought forward its submission without any ‘report back’ on the OARS Allowance as required by the Tribunal in its decision. We refer to this later at paragraph 42(h).

INITIAL SUBMISSIONS

[15] Both parties made initial submissions in this matter which were considered in conference in order to inform proceedings. They are summarised below.

ADF

[16] The ADF made its first submission in relation to this matter on 3 November 2016⁸. In that initial submission it specifically sought to:

- a. create a 38 increment pay spine for the Air Force officer aviation workforce separate to GOPS;
- b. introduce three salary progression pathways (command, specialist and staff) for officer aviation on the pay spine;

- c. establish internal transfer protocols between the three progression pathways and the competency streams allowing flexible movement without financial detriment to the member;
- d. introduce seven competency streams;
- e. establish a new rank and remuneration model for junior officers (Pilot Officer to Flight Lieutenant);
- f. employ rank increment ranges from Pilot Officer to Group Captain ranks to support competency stream differentiation;
- g. conduct a cost neutral placement into OAPS;
- h. retain the Officer Aviation Remuneration Structure (OARS) Allowance unchanged; and
- i. introduce an officer aviation human resource (HR) management reporting framework.

Commonwealth

[17] The Commonwealth wrote to us in October 2016 stating that it had been unable to reach a position in the development of the matter in part “*due to the complexity of what is being proposed*”⁹ and we agreed to the Commonwealth delaying its formal submission.

[18] In its submission made in February 2017 the Commonwealth did not support the initial ADF proposal based on the following concerns:

- a. alternative options to OAPS had not been canvassed;
- b. the tri-Service implications of the OAPS proposal;
- c. the relativities and flow on implications to other “specialist groups” in the ADF;
- d. the employment pathways established in the OAPS proposal and the movement of member between these pathways without loss of earnings; and
- e. the continued application of the OARS allowance after the report back requirement had expired.¹⁰

[19] Following a number of conferences¹¹ conducted between the parties, and with the Tribunal, both parties presented amended submissions in the hearing on 12 July 2017.¹²

Interveners

[20] The Defence Force Welfare Association sought, and was granted, permission to intervene in this matter. However it did not make written submissions nor appear before us in any hearing.

REVISED SUBMISSIONS

ADF

- [21] In its revised submission the ADF refined the proposition by:
- a. modifying the OASS to create a 38 increment salary spine to be known as the OAPS;
 - b. introducing three progression pathways (Command, Specialist and Staff) for officer aviation workforce on the proposed spine;
 - c. introducing seven Air Force competency streams¹³ to enable differentiation within a heterogeneous officer aviation workforce;
 - d. establishing one simple internal transfer protocol between the three employment pathways and streams allowing flexible movement without financial detriment to the member;
 - e. establishing a new rank and remuneration model for Air Force junior officers¹⁴ to encourage excellence;
 - f. employing rank increment ranges from Flight Lieutenant to Group Captain ranks to support competency stream differentiation;
 - g. conducting a cost neutral initial placement for eligible Air Force members into the proposed OAPS using the OARS transfer protocol;
 - h. retention of the OARS Allowance; and
 - i. introducing an officer aviation human resource management reporting framework for Air Force.

Commonwealth

- [22] The Commonwealth's revised submission supported the intent of the second ADF submission stating that it satisfied the Commonwealth's concerns and noting that:
- a. the ADF has provided detail of alternative options and evaluated the viability of these options concluding they are not suitable to address Air Force's issues;
 - b. the OAPS will only apply to Air Force with Navy and/or Army able to bring matters in the future regarding the OAPS on their own merits;
 - c. the OAPS will not be a precedent for and cases that Navy and/or Army may bring in future;

- d. costings were provided indicating the introduction of the OAPS would be cost neutral and relativities between “specialist” groups, including those outside Air Force, would not be impacted;
- e. amendments were made to transition officer aviation members from the OAPS to the GOPS if they have not been promoted before attaining 12 years cumulative time in the Command and Staff pathways; and
- f. a report back was provided to the DFRT detailing the effectiveness of the OARS Allowance in its current application.¹⁵

Air Traffic Control supplementary submission

[23] On 30 October 2017 the ADF made a supplementary submission in regard to approximately 300 members of the Air Traffic Controller (ATC)/Joint Battlefield Airspace Controller (JBAC) workforce.¹⁶ These members provide control of military and civil aircraft for military and joint user (civil and military) aerodromes as well as aircraft control and airspace management on the battlefield.

[24] Since 1990 ATC/JBACs have had regular retention bonuses made under s.58B of the Act by the ADF (separate to this Tribunal) to stabilise the workforce. The bonuses have varied from \$10k-\$30k per annum over the years. The ADF state that the bonuses offered in 2017 of \$25k per annum were presented to stall further separation while OAPS was being progressed and that they will expire in 2018.

[25] As mentioned in paragraph 5 of this decision an Air Traffic Controller Capability Allowance was provided under s.58H for two years from 2009 as an exigency measure.

[26] In regard to ATCs the ADF now seeks to:

- a. revert the JBAC title to the traditional name of Air Traffic Controller; and
- b. place and transition the ATC workforce into the OAPS.

[27] Additionally Air Force is of the view that the current initial minimum period of service (IMPS) for JBAC is inadequate and that the “*combination of initial rapid salary growth and lower salary growth at the point of expiration of the IMPS produces a very unsound remunerative profile.*”¹⁷ As a result, Air Force advised of an adjustment of IMPS from seven years to 10 years in this submission.

[28] The Commonwealth supported the ADF submission in regards to ATC.¹⁸

SUMMARY OF THE PROPOSED SITUATION

[29] The ADF submits that “*this proposition is the next evolution of OARS and better supports the Air Force’s objective of resource effective Air Power*” in a “*single spine of 38 increments that supports the OARS element construct, multiple differentiated streams and allows seamless transfers between Specialist, Command and Staff employment pathways.*”¹⁹

[30] The ADF submits that Navy and Army will remain in their present GOPS and OARS placements.

[31] For simplicity, throughout this decision we will address the proposition in the same order as the submission:

a. modifying the OASS to create a 38 increment salary spine to be known as the OAPS: the Air Force submits that by replicating the values of the OASS specialist spine but “*adding an extra eight increments at the bottom (commencing at pay grade 2) a revised 38 increment spine can cover the entire OA competency streams for post trainee though to Group Captain.*”²⁰

b. introducing three progression pathways (Command, Specialist and Staff) for officer aviation workforce on the proposed spine:

- i. Command: the Command pathway comprises all junior officers in the ‘sort to competency’ period and most officers in the Flight Lieutenant to Group Captain ranks;
- ii. Specialist: for officers who defer the Command progression option and continue towards technical mastery;
- iii. Staff: The staff pathway relates to members who are no longer competitive for Command or Specialist progression but whose OA background and knowledge means that they can be gainfully employed in OA related areas such as projects, policy and planning.

c. introducing seven Air Force competency streams to enable differentiation within a heterogeneous officer aviation workforce: Air Force specify the seven streams as the Pilot streams of Fast Jet, Fixed Wing, and Remote; the Air Combat Officer streams of Weapons Systems, Maritime Patrol and Response, Air Battle Manager; and the Air Traffic Control stream.

Air Force submit that once an officer has progressed through the ‘sort to competency’ period, pay differentiation becomes appropriate. Air Commodore (AIR CDRE) M Kitcher OAM, then Director General Capability Planning – Air Force, considered a “*small differentiation, reflective of the skill sets and difficulty of the roles, is appropriate and reflects the value the streams deliver.*”²¹

d. establishing one simple internal transfer protocol between the three employment pathways and streams allowing flexible movement without financial detriment to the member: Under the proposed construct, where (for example) an officer completes service in the Specialist pathway and re-enters the Command pathway they would revert to their previous rank and seniority but not experience a salary decrease. At present, if they wish to re-enter the Command pathway they revert to their previous remuneration which can be a factor in retention.

e. establishing a new rank and remuneration model for Air Force junior officers to encourage excellence: Under OAPS Air Force intends to implement a

revised junior officers progression system which establishes a ‘sort to competency’ process for junior officers. This system would be external to the GOPS and pay all junior officers the same while they are being selected for their aviation competency.

During this ‘sort to competency’ period they will progress through a job-fit process which considers organisational demand, candidate talent, preference and medical constraints. AIR CDRE Kitcher gave evidence that the five-year ‘sort to competency’ period “*will provide sufficient attraction into aviation and smooth out the adverse attraction to simpler competency streams.*”²²

Air Force submit that this provides for those ‘sorted’ to the more complex fast jet systems to fail and not be penalised when moving to an less complex competency. Air Vice Marshal (AVM) G Turnbull AM, Deputy Chief of Air Force, considered it “*essential that they are motivated to reach for the highest competency streams and not be remuneratively disadvantaged for attaining or failing to achieve those streams.*”²³

f. employing rank increment ranges from Flight Lieutenant to Group Captain ranks to support competency stream differentiation: In evidence AVM Turnbull stated the need to “*reward the mastery that is developed in more complex platforms and the current pay structures do not do that.*”²⁴

g. conducting a cost neutral initial placement for eligible Air Force members into the proposed OAPS using the OARS transfer protocol: The Air Force state the proposal would result in a “*budget neutral*” initial placement of the OA workforce into OAPS. Members not immediately meeting the eligibility criteria for transition²⁵ would continue to be managed and remunerated within GOPS, in accordance with OARS, until the relevant eligibility criteria pertinent to each stream are met.

h. retention of the OARS Allowance: The ADF seeks to continue to apply the OARS Allowance within the specialist and command pathway and, as such, there is no proposed change to the eligibility or operation of the OARS Allowance.

i. introducing an officer aviation human resource management reporting framework for Air Force: In order to support this proposition Air Force intends to implement a new Human Resources Management (HRM) strategy which manages application of OAPS to each employment stream.

WITNESS EVIDENCE

[32] At the time of the initial ADF submission an affidavit was provided by AIR CDRE Kitcher who explained that the OAPS proposal was developed to deliver a structure that will be “*sustainable and support the upcoming platform transition through 2020, up to 2030 and beyond*”. He stated that the structure must also satisfy two key components, being job satisfaction and fair remuneration, and acknowledged that OAPS “*does not attempt to match external market remuneration, but attempts to reflect a considered approach that is logical and has quanta close enough to the packages that other Australian domestic aviators receive to slow attraction away from Air Force.*”²⁶

[33] In conference we were also informed by AVM W McDonald AM CSC (then Deputy Chief of Air Force) that the OAPS will “allow Air Force to address emerging issues within our current remuneration system, respond to ‘global draw’ factors and position Air Force to deliver the future force envisaged in the Defence White Paper.”²⁷

[34] The succeeding Deputy Chief of Air Force, AVM Turnbull appeared as a witness in August 2017 stating that “there is an imperative to ensure we get the right management system, policy settings and supportive remuneration in place” in order to “attract applicants to service and progressively sort them to their optimal job-fit; develop them to a sustainable level of mastery for operations; employ them for a period as instructors and supervisors to sustain the cohort flow; and then progress them towards higher organisational and command roles.”²⁸

[35] In the ATC specific hearing on 8 December 2017 we were informed in discussions by Group Captain P Cooper, Officer Commanding 44 Wing, who detailed the impact of external market forces on the ATC workforce as well as the role of ATC personnel in civil and military airfields and battle space operations.

CONSIDERATIONS

[36] Throughout our deliberations we remained cognisant of the ADF evidence that “whilst the 2012 OARS Allowance and Legacy salary system have stabilised and enhanced workforce performance, the progression of the competency cohort has created a significant emergent vulnerability which, if left untreated, is expected to increase separation flows across ADF aviation as competency cohorts emerge from IMPS protection” and that “the vulnerability exists today but reaches a crisis level in 2020.”²⁹

Initial submissions

[37] The initial five concerns of the Commonwealth (as mentioned at paragraph 18 of this decision) were considered in detail both in conferences and hearings in late 2016 and into early 2017. They are addressed as follows:

- a. we agreed with the Commonwealth that options other than OAPS had not been canvassed in their submissions and needed to be presented. We acknowledge the options subsequently outlined and presented in the hearing on 16 August 2017.³⁰
- b. we shared the Commonwealth concerns that OAPS was being presented as an Air Force only case without detailed input by Navy and Army. Throughout this matter we then gave consideration as to whether any ADF aviation remuneration solution should, or in fact could, be the same across the three Services. To establish this we held conferences with the other two Services and, while encouraging the development of the case across Navy and Army, we accept that they “are in different stages of assessing the application to their workforces and are supportive of Air Force’s application.”³¹
- c. we considered the concerns raised by the Commonwealth in regard to relativity to other ADF workforces and potential flow-on or precedent effects. We are

satisfied that the risk of such matters is minimal. We accept that, while individuals in all workforces may compare their pay grades and salary to others, *“it is the responsibility of the ADF to manage the expectations of its workforce.”*³²

- d. we gave consideration to the proposal of allowing members to move between the three pathways without loss of earning through the application of non-reduction provisions. During the inspection at Exercise PITCH BLACK we were afforded the opportunity to discuss this in detail with Air Force members to whom loss of earnings had previously occurred and appreciated the opportunity to gain better clarification of individual circumstances.
- e. the final concern of the Commonwealth in regard to a ‘report back’ on Matter 4 of 2012 OARS Allowance was also not of major concern to us, noting the length of time the OAPS submission had taken to develop and the on-going cross-reference to OARS allowance in doing so.

Revised submissions

[38] Again we comment on the considerations of the proposal in the order presented:

- a. **modifying the OASS to create a 38 increment salary spine to be known as the OAPS:** We considered the implications of such a salary spine across all ranks, all competency streams and three career pathways and acknowledge the obvious complexities in doing so. We considered the proposed 38 increment spine and placements as submitted and as detailed below.³³

Salary Increments \$pa		OAPS Level (Spine)
(O5-6)*	(O1-4)	
\$193,278	\$178,763	OA37
\$190,016	\$176,299	OA36
\$187,551	\$173,834	OA35
\$185,083	\$171,366	OA34
\$182,620	\$168,903	OA33
\$180,153	\$166,436	OA32
\$177,688	\$163,971	OA31
\$175,225	\$161,508	OA30
\$172,759	\$159,042	OA29
\$170,294	\$156,577	OA28
\$167,829	\$154,112	OA27
\$165,362	\$151,645	OA26
\$162,897	\$149,180	OA25
\$159,200	\$145,483	OA24
\$155,502	\$141,785	OA23
\$151,806	\$138,089	OA22
\$148,107	\$134,390	OA21
\$144,409	\$130,692	OA20

\$140,711	\$126,994	OA19
	\$123,297	OA18
	\$119,598	OA17
	\$115,902	OA16
	\$112,204	OA15
	\$108,507	OA14
	\$104,807	OA13
	\$101,111	OA12
	\$97,412	OA11
	\$93,716	OA10
	\$90,015	OA9
	\$86,318	OA8
	\$82,634	OA7
	\$78,937	OA6
	\$75,240	OA5
	\$71,543	OA4
	\$67,846	OA3
	\$64,149	OA2
	\$60,452	OA1
	\$56,755	OA0
Trainee Salary (Schedule B13) ³⁴		

- b. introducing three progression pathways (Command, Specialist and Staff) for officer aviation workforce on the proposed spine:** We considered the Commonwealth concern that there could be no requirement for a staff pathway if a member could return to the GOPS structure instead. AVM Turnbull gave evidence that *“we need a staff pathway for those individuals who are no longer competitive for command but are still excellent officers. We need such officers as strategists and air power professionals, to influence the way we do business or build new systems. We need them to contribute expertly.”*³⁵
- c. introducing seven Air Force competency streams to enable differentiation within a heterogeneous officer aviation workforce:** We noted the streams put forward by the ADF in the OAPS proposal.
- d. establishing one simple internal transfer protocol between the three employment pathways and streams allowing flexible movement without financial detriment to the member:** We gave detailed consideration to the Commonwealth concerns in relation to salary maintenance if a member is no longer undertaking a role which required utilisation of that skill or experience. We deliberated on the likelihood that movement between the pathways may result in a position where two people in the same role are paid quite differently. We also considered the concerns of the Commonwealth in regard to (for example) an individual who transfers to the staff pathway but, after 12 years cumulative service in that pathway, remains uncompetitive for promotion or command. We considered the Commonwealth’s proposal that that person should then be transferred out of the aviation workforce and back into the GOPS as an Operations Officer.

- e. **establishing a new rank and remuneration model for Air Force junior officers to encourage excellence:** we considered the sort to competency period and the ‘all of one company’ training structure as proposed.
- f. **employing rank increment ranges from Flight Lieutenant to Group Captain ranks to support competency stream differentiation:** we considered the evidence of AVM Turnbull that “*operational OA will move into a differentiated placement providing a motivator at the end of the sort phase to attract an individual to take the harder path*” and that OAPS “*remediates the key faults of the current remuneration structure for aviators in that those individuals who choose the harder path are currently financially penalised.*”³⁶
- g. **conducting a cost neutral initial placement for eligible Air Force members into the proposed OAPS using the OARS transfer protocol:** We again considered the evidence of AVM Turnbull that the “*Air Force can manage and accommodate the increases in salary expenditure with members transitioning to OAPS over a couple of years and within budgetary allocations.*”³⁷
- h. **retention of the OARS Allowance:** We dealt with this in Matter 8 of 2017 – *OARS Allowance Report Back* in a hearing on 12 July 2017. AVM Turnbull appeared as a witness and provided an affidavit which stated that “*based on the data the Allowance has been successful. It has contributed stability in the workforce.*”³⁸
- i. **introducing an officer aviation human resource management reporting framework for Air Force:** We considered the evidence, also from AVM Turnbull, that the current HR system is “*a numbers based system so we keep filling for a number*” and that the proposed structure “*will allow Air Force to control demand and make sure the balance is correct at the application phase.*”³⁹

Air Traffic Controllers Supplementary submission

[39] In considering the separate submission on ATC we considered the evidence that “*the Air Force has struggled to sustain operational readiness within the ATC workforce due to poor workforce design creating vulnerability complicated further by strong market forces.*”⁴⁰

[40] We deliberated on the nature of the ATC workforce and their placement into the OAPS and the proposal that the ATC workforce will transition into OAPS “*within seven years*”⁴¹ and, again, be “*cost neutral.*”⁴²

[41] In hearing we raised the relative skill levels of the Air Battle Manager in comparison to an ATC.⁴³ We accept the evidence that the streams are not exposed to the same market forces and have not historically been paid in ratio to the other. We note that the relative pay difference diminishes as someone increases in rank.

CONCLUSION

[42] Finally we again present our conclusions in the order of the proposal:

- a. **modifying the OASS to create a 38 increment salary spine to be known as the OAPS:** Agreed as per paragraph 39 of this decision, noting the annual rates have changed since the 2017 ADF Workplace Remuneration Arrangement.
- b. **introducing three progression pathways (Command, Specialist and Staff) for officer aviation workforce on the proposed spine:** We agree to the structure these three pathways provide.
- c. **introducing seven Air Force competency streams to enable differentiation within a heterogeneous officer aviation workforce:** We agree that, while some streams are more complex than others, they each have differing attraction and retention characteristics and promotional demands; they should however, still be considered as one aviation workforce.
- d. **establishing one simple internal transfer protocol between the three employment pathways and streams allowing flexible movement without financial detriment to the member:** We are encouraged that the ability to transfer from (for example) the Command to the Specialist pathway and back again without remunerative impact will provide options for career progression while also recognising family and lifestyle influences. Following discussions between the parties we agree with the Commonwealth proposal that members who have not been promoted by 12 years cumulative service in the command and staff pathways will be transferred to the Operations Officer category within the GOPS.⁴⁴

We agree that members should not suffer a disadvantage in remuneration as a result of a transfer, especially in order to provide specific capability or assist in achieving personal career aspirations. We agree to the application of non-reduction provisions as set out in the proposal.

- e. **establishing a new rank and remuneration model for Air Force junior officers to encourage excellence:** We agree that at the end of the five year 'sort to competency' period all junior officers will have either established themselves in a competency stream or be found unsuitable for OA employment and offered alternate career paths. We agree this method provides flexibility and the ability to 'fit' members to the most suitable stream in order to achieve capability requirements.
- f. **employing rank increment ranges from Flight Lieutenant to Group Captain ranks to support competency stream differentiation:** We accept that it takes longer to achieve operational qualification on a fighter aircraft (for example) than a transport platform and that in the past the individual who chose the less complex platform was remunerated at a higher level earlier. Furthermore, we accept that those who begin the more challenging qualification

process but fail to complete it should not be disadvantaged by comparison with those who did not make the same attempt. We agree OAPS will remove these inequities.

- g. conducting a cost neutral initial placement for eligible Air Force members into the proposed OAPS using the OARS transfer protocol:** We accept that the proposal is ‘cost neutral’ in that *“some of the former streams will be lower than their legacy placements and some members are still in the sort phase”* and that Air Force can *“manage and accommodate the increases in salary expenditure with members transferring to the OAPS over a couple of years and within its budgetary allocations.”*⁴⁵
- h. retention of the OARS Allowance:** We are satisfied that Matter 8 of 2017 – *OARS Report Back* addressed the report back requirements for the OARS allowance and agree that Air Force will continue to apply the OARS Allowance without amendment.
- i. introducing an officer aviation human resource management reporting framework for Air Force:** We note this will commence when OAPS is introduced.

Air Traffic Controllers

[43] We accept that ATCs will be treated the same as other ‘sort to competency’ members under OAPS and agree that this will *“flatten the current structure and pay all junior officers the same while they are being sorted to their competency stream over the period”*⁴⁶ as well as ensure they are fully integrated into the OA workforce. We agree that ATC placement into OAPS will also assist Air Force in addressing external market forces.

[44] We agree that the title of JBAC has caused confusion and that a return to the traditional name of ATC will *“restore a common understanding of what the category is and does”*.⁴⁷

[45] We agree that the increase in IMPS from seven to 10 years is appropriate. We note the ADF evidence that the change will not have any real influence for up to 10 years until the increased commitment takes effect.

TRANSITION TO OAPS

[46] In assessing OAPS we considered the eligibility requirements for transition to OAPS and deliberated a proposed date of effect. We agree that there needs to be *“significant consultation and explanation made to everybody affected by this so that not only are they aware of what will happen, they’re also aware of why and how in the long run that will be better for Air Force and better for them.”*⁴⁸

[47] We note the ADF intent that there will be *“no detriment to the individual, so that would mean the transition would stretch out over between four and eight years while we remove each of the individuals from the pre-OAPS systems in a fair and equitable manner.”*⁴⁹

[48] We accept that anyone who joins the OA workforce from 3 May 2018 will be subject to OAPS on attainment of the relevant officer competency.

DECISION

[49] In closing, we reviewed all Tribunal decisions and determinations pertinent to the history of this matter and agree that the OAPS is a “*proactive approach, providing incentives for officers to move further up the scale of competency and adequately addressing the gap between civil and military remuneration to ensure Air Force can sustain readiness.*”⁵⁰

[50] OAPS has been dealt with primarily in relation to the Air Force’s new workforce strategy and principles.⁵¹ We note that Navy and Army remain supportive of Air Force’s approach. We accept that they may wish to bring forward related matters in the future in order to address the remuneration of their respective aviation workforces. This matter is not to be used as a binding precedent; each case is to stand alone. We agree that placements in GOPS and OARS will be preserved for the use of Navy and Army as well as to facilitate the Air Force transition period for members not immediately meeting the transition requirements into OAPS.

[51] In order to assist Air Force to conduct a smooth transition period we indicated our agreement to this proposal in principle in hearing on 16 August 2017.⁵² We note that a formal process will shortly commence by way of “*information sessions to the officer aviation group so that in preparation for the implementation of the new pay structure they are fully informed as to its detail, its merits, and its operation.*”⁵³

[52] Finally we are conscious that this matter had an extended history and particularly want to acknowledge the efforts of the parties to advance their discussions. We note the lengthy and frequent consultation between the parties, as well as the engagement of all three Services, and commend all involved on their willingness to consistently re-engage over the period of the matter.

[53] Determination 3 of 2018 will give effect to our decision from 3 May 2018.

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

Appearances:

Mr J Phillips SC with Mr P Blady for the ADF

Ms J Menaglio with Ms P Morrison, Mr S Leung and Ms T Morris for the Commonwealth.

Witnesses:

Air Vice Marshal G Turnbull AM, Deputy Chief of Air Force

Air Commodore M Kitcher OAM (then Director General Capability Planning Air Force)

Air Vice Marshal W McDonald AM CSC (then Deputy Chief of Air Force)

Group Captain Patrick Cooper (Officer Commanding 44 Wing)

Group Captain Paul Willmot CSC Director, Workforce Officer Aviation, Personnel Branch Air Force

¹ DMR/OUT/2016/36 Listing Application – Officer Aviation Pay Structure (OAPS) dated 2 August 2016.

² The ability of a nation to assert its will by projecting military power in and through the air domain.

³ http://www.dfrt.gov.au/_data/assets/pdf_file/0015/11328/OARS-Reasons-for-Decision-16-Oct-09.pdf

⁴ Reasons for Decision page 1 paragraph 5(a).

⁵ ADF 4 ADF Submission – *Officer Aviation Pay Structure* dated 17 August 2017 page 8 paragraph 1.2

⁶ http://www.dfrt.gov.au/_data/assets/pdf_file/0015/17511/Decision-OARS-Allowance-30-May-2013.pdf

⁷ Reasons for Decision paragraphs 8, 15 and 21.

⁸ ADF Submission *Officer Aviation Pay Structure* dated 3-4 November 2016

⁹ Commonwealth letter *Matter 5 of 2016 – Officer Aviation Pay Structure* dated 27 October 2016.

¹⁰ CWLTH 2 Commonwealth submission – *Matter 5 of 2016 – Air Force Officer Aviation Pay Structure* dated 3 August 2017 page 2 paragraph 16.

¹¹ Held on 10 June 2016, 14 October 2016, 20 October 2016, 3 November 2016, 15 December 2016, 25 January 2017, 7 March 2017, 6 April 2017, 4 May 2017, 15 May 2017 and 3 August 2017.

¹² ADF 4 ADF submission – *Officer Aviation Pay Structure – Matter 5 of 2016* dated 17 August 2017 and CWLTH 2.

¹³ Pilot streams: fast jet, fixed wing, remote; Air Combat Officer streams: Weapons Systems, Maritime Patrol and Response, Air Battle Manager; and Air Traffic Controllers.

¹⁴ Pilot officer, Flying Officer and Flight Lieutenant ranks

¹⁵ CWLTH 2 page 4 paragraph 43.

¹⁶ ADF 5 *Air Force Supplementary submission for Air Traffic Controllers*

¹⁷ ADF 5 page 14 paragraph 4.4

¹⁸ CWLTH 4 Commonwealth letter *OAPS Supplementary submission for Air Traffic Controllers* dated 1 November 2017

¹⁹ ADF 4 page 9 paragraph 1.5

²⁰ ADF 4 page 59 paragraph 9.16. *Note: OA members who attain the rank of Air Commodore will transfer to the Senior Officer Graded Structure.*

²¹ ADF 1 Affidavit of Air Commodore M Kitcher OAM dated 1 November 2016 page 4 paragraph 18.

²² ADF 1 page 4 paragraph 15.

²³ ADF 3 Affidavit of Air Vice Marshal G Turnbull AM dated 11 August 2017 page 4 paragraph 22.

²⁴ Transcript 16 August 2017 page 12 lines 39 - 41

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- ²⁵ For example: promotion or conversion to differing aircraft type.
- ²⁶ ADF 1 page 3 paragraph 11.
- ²⁷ Affidavit of Air Vice Marshal W McDonald AM CSC dated 28 October 2016 page 2 paragraph 10. *Note: The Defence White Paper articulates forecast Air Force capabilities to 2030.*
- ²⁸ ADF 3 page 3 paragraph 18.
- ²⁹ ADF 4 page 8 paragraph 1.3
- ³⁰ ADF 4 pages 19 – 25.
- ³¹ Transcript 16 August 2017 page 6 lines 39 - 43
- ³² Transcript 16 August 2017 page 7 line 25.
- ³³ Dollar figures correct as per the submission prior to the 2017 ADF Workplace Remuneration Arrangement increase.
- ³⁴ To DFRT Determination 2 of 2017 – *Salaries*.
- ³⁵ ADF 3 page 6 paragraphs 28 and 29.
- ³⁶ ADF 3 page 5 paragraph 23.
- ³⁷ ADF 3 page 8 paragraph 39.
- ³⁸ ADF 2 in Matter 8 of 2017 – *OARS Report Back*. Affidavit of Air Vice Marshal G Turnbull AM dated 5 July 2017 page 5 paragraph 24.
- ³⁹ Transcript 16 August 2017 page 20 lines 16 -20.
- ⁴⁰ ADF 5 page 24 paragraph 7.1
- ⁴¹ ADF 5 page 23 paragraph 6.7
- ⁴² ADF 5 page 24 paragraph 7.2
- ⁴³ Transcript 8 December 2017 page 7 line 40 to page 11 line 38.
- ⁴⁴ CWLTH 3 Email: Commonwealth (Ms P Morrison) to ADF (Mr P Blady) *OAPS transfer to OPSO* Wednesday 2 August 2017 at 9.05AM
- ⁴⁵ Affidavit AVM Turnbull page 8 paragraph 39.
- ⁴⁶ CWLTH 2 page 1 paragraph 9.
- ⁴⁷ ADF 5 page 15 paragraph 4.7
- ⁴⁸ Transcript 16 August 2017 page 3 lines 35-42.
- ⁴⁹ Transcript 16 August 2017 page 20 lines 3 -6
- ⁵⁰ Affidavit AVM McDonald page 3 paragraph 17.
- ⁵¹ ADF 4 page 17 paragraph 4.8 to page 23 paragraph 4.26.
- ⁵² Transcript 16 August 2017 page 26 line 45.
- ⁵³ Transcript 8 December 2017 page 1 line 33.