

**DEFENCE FORCE REMUNERATION TRIBUNAL**

**AUSTRALIAN DEFENCE FORCE**

**AIR TRAFFIC CONTROLLERS**

**REASONS FOR DECISION**

The Australian Defence Force (ADF) sought pay group placement for the Air Traffic Control (ATC) category within the Graded Officer Pay Structure as follows:

- Pay Grade 3, on achievement of initial primary ATC endorsement;
- Pay Group 5, on achievement of initial primary Training Officer standard or Supervisor endorsement;
- Pay Group 7, on achievement of one primary endorsement in each of Tower and Radar elements AND achievement of two Training Officer standards in two primary endorsements, OR two Supervisor endorsements, OR an ATC Instructor qualification.

In a statement on 8 February 2007, the Tribunal announced its decision on interim placements at Pay Grades 3, 4 and 6 respectively. Further, we said: “We will review these pay grades in the context of the wider Graded Officer Pay Structure which is listed for hearing on 8 and 9 May 2007”.

We now publish our Reasons for Decision.

**SUBMISSIONS AND EVIDENCE**

Australian Defence Force (ADF)

The ADF submitted that the ATC category had experienced retention difficulties over the past decade due mainly to recruitment by Airservices Australia and external ATC agencies in New Zealand, Canada, Europe and the United Arab Emirates. The

greatest loss occurs at the 03 level with 59% of separations at this rank over the last 10 years and at the 04 level with 20%.

It was said that the impact on the Air Force and the ADF is not simply a shortage of numbers but a loss of experience that degrades the overall level of professional competence within the category and has a consequential effect on capability.

Since 1996 the ADF has used retention benefits in an attempt to stem the flow of ATC officers to other organisations. The current benefit is an allowance paid fortnightly with tiered quanta on the attainment of competencies. It was submitted that as the benefit is paid fortnightly and is based on skill and qualification, it is regarded by ATC officers as a payment that should be considered as 'salary'. The current maximum allowance is \$15,000 per annum.

The ADF submitted that the pay grades sought would serve to narrow the perceived salary gap between what ADF ATC officers are paid and the salary offered by Airservices Australia. It was also submitted that the ADF intended to terminate the current allowance on introduction of an ATC salary structure.

The ADF sought introduction of the proposed pay structure from 5 October 2006.

Witness evidence on the ATC placement methodology was provided by Air Commodore L.C Roberts, Director-General Personnel – Air Force.

Group Captain A. Holtfreter, the ATC category sponsor, gave witness evidence on the roles, structure, environment and tasks of the category.

### The Commonwealth

The Commonwealth submitted that it recognised the serious retention problems facing the ATC category, stating that "it is apparent that to retain Air Traffic Controllers it is necessary to provide a package of remuneration which is comparable to that available to persons under the Airservices Australia Collective Agreement".

In regard to the concept of work value assessments it was the submission of the Commonwealth that work value which should be flexibly applied and "whilst it is

necessary to develop parameters to guide pay group placements the need to ensure that the graded officers pay structure remains flexible and adaptive is paramount”.

It was also said that it may well be that the placement of Air Traffic Controllers is more about concepts of industrial equity rather than the application of any rigid formula.

The Commonwealth supported the placement methodology proposed by the ADF and the pay grade placements.

The Commonwealth called Mr G. Jolly, the General Manager of Workplace Relations, Airservices Australia, to give witness evidence. Mr Jolly gave evidence on: the regulatory environment; the Air Traffic Control work environment/functions; attraction and retention issues; the Airservices Australia Certified Agreement 2005-2008 – Air Traffic Control and Supporting Air Traffic Services; and additional allowances paid.

In a supplementary written submission to the Tribunal the Commonwealth stated – “In assessing the Airservices Australia Certified Agreement 2005-2008 the following analysis is provided on the basis of the evidence submitted. What is apparent from this analysis is the fact that the proposed pay group placements are well below that available to Air Traffic Controllers employed by Airservices Australia”.

It was submitted that “having considered the material tendered and the evidence presented the Commonwealth supports the ADF proposals”.

#### The Armed Forces Federation of Australia (ArFFA)

ArFFA supported the ADF proposed structure and pay grade placements.

### **DECISION**

As outlined earlier in this decision, the Tribunal decided on an interim placement of Air Traffic Controllers for the three competency levels at Pay Grade 3, Pay Grade 4 and Pay Grade 6. We are satisfied on the material that Pay Grade 3 is appropriate for officers achieving primary endorsement. We are also satisfied that officers attaining

the additional endorsements specified by the ADF should be placed higher in the structure. It is these higher placements which will be further considered in May.

In presentation of the claim the ADF presented its case in a manner focused on what it described as 3 Work Value Points. It is up to the ADF how it presents its material but the use of the term “Work Value Point” should not be taken to have any implication of endorsement by the Tribunal. We regard it as a presentation device only.

This is the first placement of an officer category in the Graded Officer Pay Structure with the exception of those officers who were paid Section 58H Qualification and Skills allowances. Accordingly, the Tribunal is concerned to establish the integrity of the placement process. We have decided to adopt a cautious approach.

Having recently reviewed the work of aircrew in the Flying Allowance case, we raised, on a number of occasions throughout the proceedings, the issue as to where ATC should be placed in comparison to the various levels of aircrew, in particular pilots.

We were mindful that aircrew with 4 – 6 years experience are placed at pay Grade 5 and those with 6 – 8 years experience are at Pay Grade 7. Our question was whether the work value of ATC officers at the two levels beyond the achievement of primary endorsement fully sustained the ADF’s claim for placement at Pay Groups 5 and 7 when compared to those categories of aircrew. The ADF acknowledged this consideration, but submitted that improving retention is critical to the health of the ATC category.

The Tribunal would be assisted by clearer delineation between what rank advancement rewards for and what pay group placement rewards. The proposition that rank is simply an overlay of management structure is one that is under great stress. This issue does not just effect the determination of this claim. It will inevitably arise in GOPS placement generally. It needs to be addressed by the parties.

On 13 December 2006 the Tribunal wrote to the ADF and the Department of Employment and Workplace Relations seeking their views on the option of establishing a specialist officer structure for the ATC category. The ADF responded

that it did not wish to create a specialist structure for ATCs but preferred placement in the “new officer pay structure as proposed in its submission to the DFRT”. The Department responded that “whilst the Commonwealth is not opposed to the Tribunal’s proposal the Tribunal may wish to explore the matter further in conference with the parties and an interim placement within the Graded Officers Pay Structure pending the resolution of these issues would be prudent given the retention issues currently confronting the ADF in relation to Air Traffic Controllers”.

We will review these interim pay grade placements in the context of the wider Graded Officer Pay Structure which is listed for hearing on 8 and 9 May 2007.

The date of effect for the placements shall be on and from 8 February 2007.

APPEARANCES: R Kenzie QC, Defence Force Advocate with  
LCDR T Whiting for the Australian Defence Force  
  
M O'Neill with D Andrews for the Commonwealth  
  
G Howatt for the Armed Forces Federation of Australia.

DATE AND PLACE OF HEARING:

28 September 2006 – Canberra

DATE AND PLACE OF INSPECTION:

15 August 2006 – Darwin