

28 October 2010

Ms Jeanette Radcliffe
Committee Secretary
Senate Rural Affairs and Transport
References Committee
PO Box 6100
Parliament House
Canberra ACT 2600

Dear Ms Radcliffe

Re: Inquiry into pilot training and airline safety

I refer to your letter of 6 October 2010 to Virgin Blue Group CEO Mr John Borghetti inviting submissions in relation to the above Inquiry. Mr Borghetti has asked me to respond on his behalf.

The Virgin Blue Group, which comprises Virgin Blue, V Australia, Pacific Blue and Polynesian Blue currently employs 1,200 pilots. A commitment to the safety of our guests and our team is a core value for Virgin Blue, and this is backed up by significant ongoing investment in training, systems and technology.

The inquiry raises the issue of the introduction of a mandatory minimum of 1,500 flight hours for pilots operating on regular public transport (RPT) services. The Virgin Blue Group does not believe that this would necessarily enhance safety, as pilot performance does not directly correlate with pilot experience. We would regard rigorous selection, the quality of training and pilot performance as a more important focus in delivering better safety outcomes. It is also relevant to consider the circumstances in which pilot experience is gained, ie aircraft type (light, commercial, military) and single pilot versus multi-crew as these cannot be considered equivalent for the purposes of assessing capability to operate RPT services safely.

A pilot workforce where progression and promotion is based on performance and capability - as opposed to seniority - could naturally be expected to lift industry standards; a principle more broadly applicable to any element of a professional workforce.

While a move to introduce a 1,500 hour minimum requirement would not have an immediate or direct impact on the Virgin Blue Group (almost all pilots recruited by the Virgin Blue Group have had more than 1,500 hours experience prior to commencement), we would expect it to have an almost immediate effect on regional airlines. Regional airline pilots tend to have accumulated relatively less experience at commencement, because the type of aircraft generally operated by those carriers enables a natural progression from general aviation. More experienced regional pilots in turn supply a significant proportion of the technical crew for the major Australian airlines.

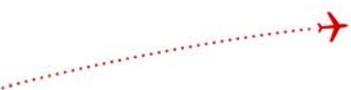
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It could therefore be expected that over time - and particularly in times of strong growth such as those experienced by the highly cyclical aviation industry in 2007 and 2008 - such a requirement could have a measurable impact on airlines such as Virgin Blue, with regional airlines anticipated to be subjected to severe labour shortages. This in turn impacts the ability of regional airlines to sustain their schedules, as seen during this period, with cancellations forced due to lack of flight crews.

It is worth noting that Europe has not followed the United States' move, preferring to maintain a competency-based system rather than a minimum hours requirement, despite generally more challenging operating conditions than Australia in terms of weather and traffic density.

The cost of pilot training is high, and prohibitively so for many aspirants. The Government's Vocational Education and Training (VET) reforms have enabled approved providers to offer VET FEE-HELP to eligible students in the aviation sector. While the number of providers offering flight training courses is limited, this may increase over time. The opportunity for a larger pool of labour to train as pilots and compete for selection should be positive in terms of maintaining high performance standards creating a more stable workforce.

The annual turnover of pilots in the Virgin Blue Group is less than 1%, which is much lower than other major groups of its workforce. Turnover in the industry generally rises during growth periods as demand for labour and accordingly choice of employment opportunities increases, and is lower during times of reduced economic activity such as the global financial crisis. It should also be noted that the ability to retain pilots, is not solely influenced by the airline employer. Broader factors such as more competitive personal tax frameworks and lifestyle also drive decisions.

From Virgin Blue's perspective, the proposed provision of legislative immunity to pilots and other flight crew who report on safety matters would not enhance safety. Virgin Blue's approach to safety is based on principles of open reporting and a just culture, which explicitly avoids the use of Safety Management Systems as a punitive tool.

A regulatory requirement to pass on any reports relevant to the Australian Transport Safety Bureau (ATSB) and the Civil Aviation Safety Authority (CASA) is already in place. This occurs on a daily basis in the Virgin Blue Group, with electronic output produced which feeds directly to these agencies. A mechanism for flight crew to report incidents directly to the ATSB and CASA also exists.

It is interesting to note that the list of matters classified as "immediately reportable" is much broader in Australia than other major aviation regions, and it is proposed to expand this list. In the consideration of this by relevant agencies, the Virgin Blue Group would highlight the need to guard against moving to onerous requirements which have the potential to give rise to "reporting fatigue" which may ultimately discourage pilots from reporting matters.

We would be pleased to provide any further information if it would be of assistance to the Committee.

Yours sincerely

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