



Australian Federation of Air Pilots

Submission to the

**Senate Standing Committee on Rural and
Rural Affairs and Transport**

Regarding

***Pilot Training
and
Airline Safety***

October 2010

The Australian Federation of Air Pilots

Formed in 1938, the Australian Federation of Air Pilots (“the Federation”) is the industrial and professional association for commercial air pilots in Australia. The Federation has over 2700 pilot members.

The Federation’s membership coverage includes Virgin Blue pilots, Qantas owned subsidiary airline pilots (such as QantasLink and Jetstar), regional airline pilots, Australian pilots flying for overseas operators, general aviation pilots, flight instruction pilots, aero-medical pilots, corporate jet pilots, helicopter pilots and aerial agricultural pilots.

As a professional association, the Federation's members and staff are active in the promotion of flight safety and improving Australian and global aviation standards. The Federation’s diverse pilot membership base places it in a strong position to comment on pilot training and airline safety matters in Australia.

Executive Summary

The Federation believes that the issues to do with pilot training and airline safety need to be considered holistically. Throughout the submission we emphasise our support for measures that build and support the internal training capability of airlines and operators in general.

In terms of specifics, the Federation does not support the reduction (or increase) of mandatory flight time requirements. Our experience, such as at Virgin Blue, is that less experienced pilots can and should be incorporated into airlines, providing there is a solid existing experience base and sound internal check and training systems in place.

The Federation supports a variety of pathways to an airline career. It is however concerned about a growing over-reliance on the “pay-for-training” or cadetship model. These programs have an intrinsic commercial incentive for the parties to get through the training by the quickest allowable means. This risk needs to be managed and closely monitored. It also has the potential to undermine internal training systems and traditional career paths to an airline career.

The Federation believes that all sections of the industry need to maintain a solid base of experienced pilots to mentor and train the next generation of pilots. We are concerned at any policies or processes which, in effect, undervalue command experience. For our part we have been active in taking steps to ensure experienced pilots are retained within operations.

We believe that type ratings, and particularly, recurrent training should be conducted by experienced, well-resourced and closely monitored internal check and training departments.

We believe that the regulator needs to act without fear or favour, be better resourced and transparent. It needs to engage qualified personnel (not bureaucrats).

We support immunity for flight crew who raise safety concerns and measures that allow flight crew to report directly to a better resourced and independent ATSB. We oppose any relaxations which may allow access to information obtained by the ATSB during safety investigations.

Finally, we are concerned at certain recent developments, such as PICUS (Pilot in Command under Supervision) from the right hand seat and without a Training Captain.

Submission to the Senate Standing Committee Inquiry on Pilot Training and Airline Safety

We have structured our written submission in line with the terms of reference of the Senate Standing Committee Inquiry into Pilot Training and Airline Safety. We welcome the opportunity to supplement our written submission via appearance(s) before the Senate Standing Committee.

(a) *Pilot experience requirements and the consequence of any reduction in flight hour requirements on safety;*

The Federation believes that mandatory experience levels (or flight hour requirements) are only part of the picture. We believe that other factors, such as the quality of training, have as much or greater influence on safety outcomes.

Our experience with the generically titled “Low Cost Carrier” models in Australia supports the need to mix and match the levels of experience as an operation grows. Virgin Blue’s entry into the industry is an example of successfully mixing experienced Captains with less experienced First Officers. In this case, the experienced Captains provided a solid mentoring and training base for the airline to grow and develop and for those less experienced first officers to attain command early in their Virgin career.

The Federation notes that the current regulatory framework provides for certain minimum experience or flight time requirements, such as 1500 hours total time and 500 hours multi-engine command experience for an Air Transport Pilots Licence (ATPL). On balance we believe that the current regulatory minima are appropriate. We also note that many individual operators overlay these minima with higher internal minimum experience levels. These are often adjusted in response to market demands and other factors.

Overall, the Federation encourages high level internal training systems within operators and the building and growth of experience internally.

(b) *The United States of America’s Federal Aviation Administration Extension Act of 2010 which requires a minimum of 1500 flight hours before a pilot is able to operate on regular public transport services and whether a similar mandatory requirement should be applied in Australia;*

The Federation understands that America’s Federal Aviation Administration Extension Act of 2010 was developed in response to the Colgan Dash 8–400 crash at Buffalo in February 2009, which killed 50 people.

The Federation notes that Australia already sets minimum standards for the operation of RPT aircraft and experience levels for ATPL licence holders (as previously described). It is predictable and easy to set (or raise) mandatory pilot hours in response to accidents, however, this does not necessarily lead to a measurable safety improvement.

Further, we make the point that Australia has a very different industry structure to the US, both in terms of the nature of regional carriers and the industrial relations regime. Regional airlines in America are more seen as a transient training ground for pilots. In Australia, there has traditionally been a significant group of skilled and experienced pilots who consciously choose to make their career in regional airlines. Lifestyle considerations form part of the reason for this. Regional airline work traditionally involves less days away from home and many regional airlines have strong ties to rural and regional centres. Bases in regional cities are often an attractive and affordable lifestyle option for many pilots with families, regional ties, etc. As a general rule, the American regional airline pilot (first officers particularly) is also paid significantly less and afforded less industrial protections than their Australian equivalent. With this in mind, it is likely that Australian regional airlines can safely absorb less experienced pilots into their operation, providing there exists a sound mix of experience and checking and training within the operation.

As suggested above, we advocate a more holistic approach, focussing on improved training regimes and the requirement to internally build and demonstrate high standards within RPT carriers. The Federation does not believe that a “one size fits all” approach encompassing mandatory experience levels is appropriate in the Australian context.

The Federation is concerned that setting the bar too high for entry into an RPT carrier may lead to the loss of Australian jobs to overseas pilots in order to meet unnecessarily high experience requirements. This approach may deny or delay young Australian pilots’ opportunities into regional RPT airlines.

(c) Current industry practices to recruit pilots, including pay-for-training schemes and the impact such schemes may have on safety;

The Federation believes the recent (past ten years) practice of paying for training has been a false economy for the industry. It has been an opportunistic and short-term commercially driven response designed to offset the high cost of pilot training and influenced strongly by international paradigms. Prior to 2000 airlines provided the endorsement training and only in rare cases did pilots have to travel outside Australia for an endorsement. These providers now exist and generally deliver an endorsement which is then subject to refinement by the company check and training department, diluting the commercial gains. CASA’s role in this sector of the industry is not as rigorous because these providers do not have to hold an AOC and therefore the same legislative regime does not prevail.

Over-reliance on “pay for training” and “cadet schemes” has led to a loss of many jobs in the general aviation training industry and a reduction in grass roots training activity at secondary airports and within aero clubs due to the consequent rationalisation.

Our major concern is the intrinsic competitive incentive for both the customer (pilot) and provider to pay for and/or perform the minimum necessary to achieve the outcome (a licence, rating and/or aircraft endorsement). This commercial tension needs to be managed and checks and balances put in place to ensure the quality of training is not reduced. Legislative change here may be necessary. Overall, internal training is the preferred method of training.

This trend has also come at a cost for smaller regional airline operations as pilots bypass the previous development of experience through general aviation into regional airlines in favour of a cadet model of direct entry to First Officer positions in larger airlines.

The Federation believes that cadetship schemes have their place in the industry but they should be one of a number of avenues to an airline career, not the dominant avenue. The other avenues for a healthy industry would include:

- The traditional flight school, general aviation, regional aviation path;
- Experience and training gained through the military; and
- Unattached tertiary training (not as part of a cadetship).

The table below provides a snap-shot of the current Rex and Jetstar cadetship schemes:

Program	Rex Pilot Cadet Program	Jetstar Ab Initio	Jetstar Advanced Cadet Program
Length of program	32 weeks	18 months	3 months
Prerequisites	Student Pilot Licence	Minimum Year 12	ACPL, Multi-Engine Command Instrument rating, completed ATPL subjects
Minimum Cost (as advertised)	\$88,000 inc GST (includes meals & accomm)	\$87,105 plus GST (meals & accomm \$19,500 plus GST)	\$84,895 inc GST (includes meals & accomm)
Payment of costs	50% via low interest loan 25% Scholarship 25% paid for up front by cadet	Costs eligible for Fee HELP	\$21,000 scholarship, remainder via low interest loan
Job Guaranteed?	Yes	No	No
Retention Arrangements	* Must stay 5 years to qualify for low interest on loan. * Must stay 6 years to qualify for scholarship * Resignation before 5 years entails immediate repayment	n/a	* Must repay loan over 6 years. * Resignation before 6 years entails immediate repayment

The cadetship model of training, sometimes linked to a tertiary institution/qualification, appears to follow a similar line of development to some other professions. For example, just as nursing has moved from the previous 'hands-on' approach to training within hospitals to a tertiary education

model with a greater focus on theory, so too has pilot training moved from the ‘hands-on’ experience in an aircraft approach to a greater focus on theory and simulators. In practice, obtaining ATPL subjects (not just a Commercial Pilots Licence) has now become the pre-requisite for obtaining entry level employment in the regional airline industry.

Prior to the advent of paying for endorsements, the operator usually provided the training and the standards were overseen by the regulator. The current Civil Aviation Regulation 217 operations have oversight from the regulator but we feel this is not as strict as in the past and much of the regulatory responsibility has been delegated to the carrier which in many cases in turn delegates its training to outside providers.

Flying training in Australia has consolidated within a smaller number of professional flight instruction schools. In some cases these schools or courses are totally aimed at overseas airlines rather than as a training pipeline for future Australian pilots. An analysis of Australian ATPL licence holders, as published on the Civil Aviation Safety Authority website, supports the assertion that Australian pilot numbers over the 2002 to 2006 are not increasing.

<i>Year</i>	<i>ATPL (issued that Year)</i>	<i>Total ATPL (current)</i>	<i>Total Licences (Stu, PPL, CPL, ATPL)</i>
2006	378	6,024	28,744
2005	332	6,103	29,786
2004	373	6,025	30,390
2003	387	6,046	30,676
2002	424	5,969	31,395

(source: http://www.casa.gov.au/scripts/nc.dll?WCMS:STANDARD::pc=PC_90019)

We have no reason to believe this situation has improved over recent years. Coupled with our understanding that an increasing amount of the training activity is targeted at overseas trainees for overseas operators, it is likely that there is an ever-shrinking next generation of Australian pilots.

This may be manageable in the aftermath of the recent global financial crisis; however, should global flying activity increase to late 2007 levels we will likely see a return of the much publicized “pilot shortage”. This may again lead to ill-conceived short-term fixes such as the vexed Multi-Crew Licence experiment.

(d) Retention of experienced pilots;

The Federation is also concerned that an over-reliance on the cadetship model and “pay for qualifications” approach to training is eroding the value of command experience gained in general aviation. Maintaining core experience levels within an airline is important. We believe that low time Captains with low time First Officers in an organisation with outsourced training systems is a significant and unacceptable risk to safety. We support a mix of experience levels and strong check and training systems within airlines and reasoned, mandated experience requirements.

Operations need to maintain experienced pilots as a solid base for the mentoring and training of new pilots. This is critical at all levels of the industry, not just large airlines.

Utilisation of experienced pilots in training/mentoring roles needs specific action from within the industry. For our part, the Federation has championed the use of part-time arrangements within our industrial agreements (such as roster sharing) to ensure that experienced pilots are not lost to the industry because of parenting, carer and other responsibilities impinging on their ability to fulfil a full-time position.

In the cycles that prevail in the airline industry we have seen the loss of experienced pilots into the newer carriers in a manner not previously noticed due to the attraction of an early command in these carriers. This then places inordinate pressure on the remaining pilots and the check and training organisation, particularly for third level carriers.

(e) Type rating and recurrent training for pilots;

This submission has spent much time discussing current practices for type rating. It is the Federation's view that recurrent training must rest within the airline, not third party providers.

The Federation would support a full review of current practices and encourage the regulator to take a greater responsibility for the oversight and quality of endorsement training.

(f) The capacity of the Civil Aviation Safety Authority to appropriately oversee and update safety regulations given the ongoing and rapid development of new technologies and skills shortages in the aviation sector;

The Federation believes that the Civil Aviation Safety Authority (CASA) has suffered renaming, review and restructure by successive Governments without any real improvement to its effectiveness.

We believe that CASA should regulate and enforce without fear or favour and be resourced properly to be able to do so. We believe that practical surveillance needs to concentrate on the product not systems. We need the right people to perform these tasks. We support the active recruitment and maintenance of experienced, qualified and current examiners and flight operations inspectors not systems analysts.

CASA should provide greater oversight of the entire industry, not just airlines. The Federation also believes that Aviation responsibilities should be brought back under the control of a single Minister. The Federation supports and encourages a review to provide an effective regulator with Ministerial support.

Although not directly relevant under this term of reference, it is worth noting the lack of transparency within CASA in relation to a recent Federal Aviation Authority (USA Regulator) audit. This report should be available to the industry to enhance safety.

(g) The need to provide legislative immunity to pilots and other flight crew who report on safety matters and whether the United States and European approaches would be appropriate in the Australian environment;

The Federation supports providing immunity to pilots and other flight crew who report on safety matters. The Federation can provide a number of examples where information passed onto the authority has been used against the individual or no further action against the operator has occurred due to the potential for the pilot to be prosecuted or have their licence suspended/cancelled.

(h) Reporting of incidents to aviation authorities by pilots, crew and operators and the handling of those reports by the authorities, including the following incidents:

- i. The Jetstar incident at Melbourne airport on 21 June 2007, and**
- ii. The Tiger Airways incident, en route from Mackay to Melbourne, on May 18 2009;**

The Federation does not believe the naming of specific operators and incidents as a term of reference adds much to this Inquiry. We believe it is probable that most operators at some point could be identified for an event or reporting failure.

The Federation supports a system of true safety investigation and non-blame outcomes to improve safety. The Federation does however have concerns with any reliance upon Company reporting systems to meet the requirements of the TSI Act. The Federation supports a system whereby the licence holder reports directly to the Air Transport Safety Bureau (ATSB), rather than an internal company system.

(i) How reporting processes can be strengthened to improve safety and related training, including consideration of the Transport Safety Investigation Amendment (Incident Reports) Bill 2010; and

As stated above, we prefer the licence holder reported safety issues directly to the ATSB as opposed to an internal company system. We believe the ATSB must be better funded to carry out full investigations into more accidents and incidents, rather than just a small portion due to financial constraints.

We maintain that the ATSB must be totally independent from the regulator, a relationship jeopardised to a degree through recommendations by Miller in 2007. Consultation is important but not as much as independence when air safety is involved. We oppose any lessening of the current provisions of the TSI Act. In particular, CASA should have no access to interviews or information gained from ATSB investigations which are designed purely for safety improvement. In line with this we hold that the current protections to on-board recordings must be maintained and/or strengthened.

We note the lack of an aviation experienced commissioner in the ATSB and query why?

(j) Any other related matters.

The Federation is concerned that the 'grass roots' of the Australian aviation industry has effectively been dying for a number of years. This is evident in the lack of new aircraft in general aviation and the loss of many training schools at secondary airports. Cost pressures associated with the privatisation of airports and general imposts from cost recovery have seen the reduction of employers and carriers, particularly in rural and regional areas. Although tried in the 1980s with mixed success there may be value in looking at a revamped depreciation scheme for aircraft that will encourage operators to purchase new aircraft to be used at this entry level of the industry.

The flow on effect of this has been a lack of career opportunities in the training sector and general aviation. This leads to a reduced pool of available and qualified Australian pilots when the inevitable upturn occurs.

Due to cost pressures upon pilots at the start of their careers we may also be faced with a reduction in quality candidates coming through the industry. The loss of the traditional training pathway (via flight schools and general aviation) and emergence of a "pay for a position" culture will adversely affect the industry in the long-term as this also restricts the pool of available candidates.

To assist in this we suggest the Inquiry may consider developing a strategy that examines a 'HELP type' scheme for potential pilots who do not wish to pursue the higher education trail to a pilot career.

We are particularly concerned at the manoeuvrings of parts of the industry to minimise training costs and responsibilities. We have already referred to the Multi Crew Pilot Licence experiment. Another recent example is the trialling of the "Pilot in Command under Supervision" (PICUS) system which some operators are using to overcome experience shortages at this time. This latest variation allows for a First Officer to record flight time in the right-hand seat to be logged as though he or she were flying the aircraft as pilot in command. This is an unsatisfactory manipulation of PICUS which previously required a training captain to be in a control seat.

The Federation supports a PICUS system that provides training, support and mentoring. This is best done internally via experienced Training Captains within a sound training system.

Finally but importantly the Inquiry should consider the role the International Air Services Commission (IASC) plays in developing and maintaining pilot employment opportunities for Australians. Currently there is no regard paid in the public interest to maintaining employment for Australians. A cogent example relates to the allocation of flying by the IASC to Australian operators who are then not precluded from 'wet leasing' that flying to international operators. An existing situation has flying allocated to Pacific Blue Australia wet leased to Pacific Blue New Zealand thus denying Australians the opportunity to crew these flights which have been allocated as Australian capacity. The definition of Public Interest should be expanded to capture employment for Australians.

Further information

As previously stated, The Federation welcomes the opportunity to supplement the above written submission via verbal submission/appearance(s) before the Senate Standing Committee.

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