



29 September 2010

Committee Secretary
Senate Standing Committee on Rural Affairs and Transport
PO Box 6100
Parliament House
Canberra ACT 2600

Dear Committee Secretary,

**The Senate Rural Affairs and Transport References Committee
Inquiry into Pilot Training and Airline Safety**

The RAAA and its Members

The Regional Aviation Association of Australia (RAAA) was formed in 1980 as the Regional Airlines Association of Australia to protect, represent and promote the combined interests of its regional airline members and regional aviation throughout Australia.

The Association changed its name in July 2001 to the Regional Aviation Association of Australia and widened its charter to include a range of membership, including regional airlines, charter and aerial work operators, and the businesses that support them.

The RAAA has 26 Ordinary Members (AOC holders) and 49 Associate/Affiliate Members. The RAAA's AOC members directly employ over 5,000 Australians, many in regional areas. On an annual basis, the RAAA's AOC members jointly turnover more than \$1b, carry well in excess of 2 million passengers and move over 23 million kilograms of freight.

RAAA members operate in all States and Territories and include airlines, airports, engineering and flight training companies, finance and insurance companies and government entities. Many of RAAA's members operate successful and growing businesses providing employment and economic sustainability within regional areas.

Some examples of RAAA members' presence in regional Australia is the REX hub in Wagga Wagga, SkyWest in WA, Sharp Aviation in Hamilton, Kimberley Aviation at Broome, Airnorth, Chartair and Vincent Aviation Northern Territory networks, West Wing Aviation in Mt Isa and Skytrans operations from Cairns, to name a few.

Serving regional aviation, and through it, the people and businesses of regional Australia

Unit 11, 26-28 Winchcombe Court, Mitchell ACT 2911

ABN: 23 008 568 054 Telephone: 02 6162 0305 Facsimile: 02 6162 0308 Email: office@raaa.com.au Website: www.raaa.com.au

RAAA Charter

The RAAA's Charter is to promote a safe and viable regional aviation industry. To meet this goal the RAAA:

- ➡ promotes the regional aviation industry and its benefits to Australian transport, tourism and the economy among government and regulatory policy makers;
- ➡ lobbies on behalf of the regional aviation industry and its members;
- ➡ contributes to government and regulatory authority policy processes and formulation to enable its members to have input into policies and decisions that may affect their businesses;
- ➡ encourages high standards of professional conduct by its members; and
- ➡ provides a forum for formal and informal professional development and information sharing.

The RAAA provides wide representation for the regional aviation industry by direct lobbying of Ministers and senior officials, through parliamentary submissions, personal contact and by ongoing, active participation in a number of consultative forums.

RAAA Response to Inquiry

The focus of this Inquiry should remain on the competencies necessary to become a safe, proficient air transport pilot. There is no evidence to support the view that more hours equate to more safety however there is a good deal of evidence to support the use of competency-based curricula to train pilots and increase aviation safety.

Australia's major airlines, the regional airlines and the RAAF provide sound examples of the use of competency versus a simplistic hours based approach to training/licensing.

The findings of Working Groups under ICAO are unequivocal in their support for simulation and competency based training in providing highly skilled FOs for the right hand seats of airliners. An entirely hour based approach would be retrograde; it is unsupported by international aviation training research. The focus must remain on the quality of the aviation training.

Senators must be conscious that industrial issues around better remuneration and job security could be the primary motivators for those calling for a 1500hr minimum.

One possible outcome of this Inquiry would be a review of how pilot training is funded in Australia. Those students undertaking their training through a university can qualify for HECS (and a significant debt). However, those training through the independent CASA approved flight training schools cannot access HECS while the parallel VET FEE Help scheme has become a bureaucratic quagmire and proving useless to the aviation industry. The latter schools can train competent commercial pilots in 18 months-2 years while the university schools take 3-4 yrs because of their degree structures. The anomaly is that students are attracted to the university schools because HECS is available. In other words government policy and administration around the HECS/VET FEE HELP schemes is seriously skewing the market towards the university based flight schools. Both types of schools are producing competent commercial pilots but students are choosing the longer path for financial reasons and non-university based schools are closing. This is madness when the industry needs well-trained pilots now. Australia has the potential to be a world leader in aviation training but cannot achieve this goal with the current policy settings.

It is clear that the regional airline industry will be hit the hardest by a proposal that requires all RPT pilots (First Officers and Captains) to have a full ATPL (ie 1500 hours and all ATPL theory subjects completed).

- ➡ One of our biggest challenges for regional airlines is holding onto their pilots. As they become more experienced they become more attractive to the major, jet airlines – which can pay higher salaries and offer larger aircraft for pilots to fly. The larger airlines typically look for pilots with 2000 hours or more, in fact usually just as they have become a qualified captain and able to give the regional airline some return on the airline's investment of the previous two years. If regional airlines cannot hire pilots for RPT until they have 1500 hours, then it will be very difficult to secure them for any reasonable time before they move to the larger airlines, making it even more difficult than now to recover the very high costs of induction, check and training, etc that is a necessary part of getting a pilot into an RPT operation.
- ➡ In previous times of high pilot demand, some regional airlines have lost upwards of 85% of its pilots in an 18 month period to larger airlines. There is little doubt that the large airlines treat the regional airlines as their training pool. Some of the large airlines do not have their own pilot training program and make no contribution to developing young pilots. They rely on attracting pilots from smaller airlines and overseas, and benefit from the training previously given by other aviation companies. As a result, the regional airline industry which has much lower economies of scale and decreased ability to bear high costs, incurs the largest proportion of the cost of developing a commercial pilot into a professional, experienced and polished RPT captain or FO.

- ➡ In some regional airlines approximately 40% of the pilots who commence as FOs have less than 1500 total time. There is often a preference for FOs to have frozen ATPLs (meaning they have completed their ATPL subjects but have not achieved the minimum ATPL total hours – which is 1500). Introduction of a 1500 total time requirement will immediately substantially affect the regional aviation industry. It would eliminate a substantial portion of crews and will result in the overnight collapse of a number of regional routes.
- ➡ Airlines, particularly regional airlines, do not 'warehouse' trained and checked pilots for a rainy day. It is a high cost, low margin business and aircraft and pilot numbers are carefully managed so that excess staff costs are minimised. Eliminating a number of FOs would be enormously difficult to respond to given the large lead times for recruitment and the huge costs of check and training. On average, it takes approximately 6 to 8 weeks for a new pilot recruit to be able to fly an RPT service and for approximately the first 3 months they are flying, each new pilot can only fly with a supervisory captain, which means that not only is it a 5-6 month exercise to get a fully fledged FO in the cockpit. It is entirely dependent on the number of check and training and supervisory captains that are available to complete the recruitment process. The regional industry does not have the available experienced pilot pool nor the check and training and supervisory capability to immediately replace around 15% of pilots in the industry.
- ➡ Unless the changes were grandfathered for all pilots already in RPT operations, a 1500 total time requirement will immediately push a number of capable and successful young pilots out of their jobs and into the general market for commercial pilots. But there are only so many tourist jobs, mail runs and freight runs and many of these pilots may not secure work immediately resulting in them leaving the industry altogether or going overseas. Alternatively they might push other less experienced pilots out of the tourist jobs and mail runs etc resulting in an inability for newly qualified pilots to gain the experience and hours they would need to ever secure a place in an RPT operation.
- ➡ It is estimated by IATA that there will be a need for 466,000 new pilots worldwide over the next 20 years – that is more than 23,000 pilots per year worldwide. This will be very difficult to achieve given the current training arrangements and, in Australia at least, in recent years aviation training facilities have been closing down rather than opening up. Setting the bar even higher for entry into the right hand seat makes no sense in the context of likely major pilot shortages over the coming years. It will mean that it will take even longer before pilots can be absorbed into RPT operations – increasing by at least another 18 months the current lag time to transition from keen would-be pilot to operational RPT pilot.

- ➡ Requiring 1500 hours total time for all RPT pilots ignores the industry's move away from hour-based assessment to competency based assessment. There is no safety case to argue that 1500 hours is the magic number at which all pilots will be safe and competent. Often junior pilots build their hours by flying in commercial roles – such as charter operations for tourists, mail runs, freight runs, instructing etc. Whilst additional hours inevitably give a young pilot more experience which is valued, it doesn't necessarily make them more competent or capable and can in fact result in what the airlines would consider to be bad habits which then need to be overcome. A pilot with 500 hours can be as skilled, competent and safe as a pilot with 1000 hours who has done 5000 circuits with beginners as an instructor. Capability is a result of a combination of personality, training, discipline, supervision and experience, not experience alone. In many regional airlines' experience, junior pilots who join the business as FOs with less than 1500 hours often excel when compared to pilots with higher initial total time but have had less airline exposure.
- ➡ The industry has many systems and structures in place to ensure safety – far more than, say, the health system. These include regulated requirements for Safety Management Systems and Transport Safety Plans; stringent requirements for check and training and renewals for pilots (including bi-annual proficiency flight checks, instrument rating renewals, health checks, non technical training requirements, human factors training, emergency proficiency checks and more). There are limits on pilots' duty times and all RPT operators must keep records and roster pilots according to very specific rules to minimize fatigue; RPT operators are regularly audited by CASA and must report all incidents or accidents to the ATSB which then triggers very specific investigations and recommendations which must be implemented. These systems are already in place to improve areas identified that may increase safety. Airlines themselves are vigilant about safety because a major safety issue can be destructive to the whole business. From our point of view, increasing the minimum total time to 1500 hours for pilots would severely negatively impact the business and services to regional communities for no increased safety outcome.
- ➡ There are no studies we are aware of that show the need for the change being proposed.
- ➡ Other industries in which professionals are responsible for the safety and care of others (such as the medical profession) do not have such requirements. Qualifications and levels are judged by those most able to judge.

With respect to ATSB accident/incident reporting requirements, current arrangements are well understood by the industry and there is no apparent need for change.

The RAAA would welcome any questions that the Senate Rural Affairs and Transport References Committee might have and can be available for meetings with any reasonable notice.

A handwritten signature in black ink, reading "Paul a Tyrrell", is positioned above the printed name.

Paul Tyrrell
Chief Executive Officer