

Context of the inquiry

- 1.1 On 3 March 2011, the House of Representatives Standing Committee on Infrastructure and Communications resolved to inquire into the ratio of cabin crews on aircraft following a request from the Minister for Transport, the Hon. Anthony Albanese MP.
- 1.2 Individuals and organisations were invited to prepare submissions and the inquiry was included in the fortnightly House of Representatives advertisement in *The Australian* on 9 March 2011. Details of the inquiry were made available on the Committee's website.
- 1.3 The inquiry received 17 written submissions, including four supplementary submissions. These are listed at Appendix A.
- 1.4 The Committee held public hearings in Sydney and Canberra. Details of the hearings and witnesses are listed at Appendix B.

A brief explanation of cabin crew ratios

- 1.5 The term 'cabin crew ratio' refers to the minimum number of cabin crew members (also known as flight attendants) required to be present on an aircraft as a proportion of either the number of passengers or passenger seats, depending on the context. Currently, the Australian cabin crew ratio on single aisled aircraft with 36 to 216 seats is one member of crew per 36 passengers (1:36). Aircraft with more than 216 seats, or twin aisles, require a minimum of one member of crew for each floor level exit.¹
- 1.6 In Canada, the ratio is one member of crew for every 40 passengers. Most other developed nations, including New Zealand, the United States and

1 Civil Aviation Safety Authority, *Submission 5*, p. 8.

the European Community, use a ratio of one member of crew to 50 passenger seats.

The current proposal to alter Australia's cabin crew ratio

- 1.7 The Civil Aviation Safety Authority (CASA) has proposed a regulation change to allow Australian airlines to operate aircraft with a ratio of one cabin crew member for every 50 *passenger seats* (1:50), instead of the current 1:36 *passenger* ratio.²
- 1.8 CASA has also proposed to:
- allow aircraft to be operated with one less cabin crew member in the event of illness or injury, as long as a ratio of 1 cabin crew member per 50 *passengers* can be maintained;
 - to make cabin crew mandatory for aircraft with more than 19 *passenger seats*, instead of the current requirement of more than 15 *passengers*; and
 - require operators to submit a safety risk management plan (SRMP) to assess, treat and monitor the risks associated with changing the cabin crew ratios.³
- 1.9 The changes require amendments to a Civil Aviation Order administered by CASA under authority of the Civil Aviation Regulations 1988. The Regulations specify that the number of crew on an aircraft must not be less than that specified in the aircraft's certificate of airworthiness or flight manual,⁴ and this will remain in effect under CASA's proposed changes.
- 1.10 On 9 February 2010, CASA issued a Notice of Proposed Rule Making – NPRM 0905OS – notifying the public of proposed changes to Cabin Crew Ratios through the amendment of Civil Aviation Order 20.16.3. The document outlined the key proposals and their rationale, and invited comments from individuals and organisations with a stake in the changes. This period for comments closed on 6 April 2010.
- 1.11 CASA indicated that it would analyse, evaluate and consider the submissions it received before a Notice of Final Rule Making (NFRM) was prepared, which would be made publicly available in conjunction with the
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2 Civil Aviation Safety Authority, 'Notice of Proposed Rule Making: Cabin Crew Ratios', Document NPRM0905OS, February 2010, p 8.

3 Civil Aviation Safety Authority, 'Notice of Proposed Rule Making: Cabin Crew Ratios', Document NPRM0905OS, February 2010, p 8.

4 Civil Aviation Regulations 1988, s. 208.

making of the Final Rule.⁵ The NFRM would also incorporate a Summary of Responses containing a consolidation of the comments received, CASA's comments, and a disposition of the comments.⁶

- 1.12 As delegated legislation, once the revised Civil Aviation Order has been finalised by CASA it must be registered in the Federal Register of Legislative Instruments and then tabled in both houses of parliament within six sitting days of registration. A motion for disallowance may then be made by any member of parliament within 15 days of it being tabled.
- 1.13 The Committee understands that the cabin crew ratio rule making process has not progressed since December 2010, with the Regional Aviation Association of Australia suggesting this may have been because of industrial concerns, rather than safety concerns.⁷

The history of proposed ratio changes and prior parliamentary consideration

Origins of the current cabin crew ratios

- 1.14 While the origins of the 1:36 ratio in Australia are unclear, it is widely believed to be connected to the introduction of the Fokker F-27 Friendship in the late 1950s,⁸ or possibly the earlier introduction of the Douglas DC-3.⁹ Both models of aircraft contained approximately 36 passenger seats.
- 1.15 Since this time, the 1:36 cabin crew ratio appears to have been extrapolated to cater for larger and more modern aircraft.¹⁰ The Committee heard that this ratio pre-dates the requirement for demonstrated and measurable safety outcomes in aviation.¹¹

5 Civil Aviation Safety Authority, 'Notice of Proposed Rule Making: Cabin Crew Ratios', *Document NPRM0905OS*, February 2010, p 7.

6 Civil Aviation Safety Authority, 'Consultation Process': <http://www.casa.gov.au/scripts/nc.dll?WCMS:STANDARD::pc=PC_91146> last viewed on 29 September 2011.

7 Regional Aviation Association of Australia, *Submission 6*, p. 3.

8 Civil Aviation Safety Authority, *Submission 5*, p. 8; Qantas Group, *Submission 4*, p. 4; Mr Tony Maddern, *Committee Hansard*, 19 May 2011, Sydney, p. 44.

9 Ms Beverley Maunsell, *Committee Hansard*, 19 May 2011, Sydney, p. 22; Mr John McCormick, *Committee Hansard*, 1 June 2011, Canberra, p. 4.

10 Qantas Group, *Submission 4*, p. 4.

11 Mr Tony Maddern, *Committee Hansard*, 19 May 2011, Sydney, p. 44.

- 1.16 It is equally unclear how long the 1:50 ratio has been in place in other jurisdictions. The CASA noted that preliminary research into the issue has indicated that a 1:50 ratio was adopted in the United States no later than 1994, but perhaps as early as 1965.¹²

Earlier consideration of a 1:50 cabin crew ratio in Australia

- 1.17 The current NPRM is not the first instance in which a change to Australia's 1:36 cabin crew ratio has been proposed.
- 1.18 The Committee heard that a regulatory review undertaken by CASA in 1997-98 considered cabin crew ratios, with the review panel recommending retention of the 1:36 ratio. CASA accepted the findings of that review, and retained the rule.¹³ Beverley Maunsell, a retired air safety investigator, participated in the review, and described the process as follows:
- ... the previous review ... was extremely comprehensive. When I found out that they had been giving dispensations [exemptions to the 1:36 ratio] I was absolutely floored because everyone in the industry was involved in that. Those of us who looked at the one for 50 comparison did six months of research on it. We went everywhere. I spoke to all of my colleagues in the [United] States, Canada and everywhere else looking for some sort of justification for us to drop our standards, and we could not find anything.¹⁴
- 1.19 A move to change the required cabin crew ratio to 1:50 was then proposed in a CASA discussion paper in 2000.¹⁵ In 2002, following representations from the Flight Attendants' Association of Australia (FAAA) and the Australian Transport Safety Bureau, and influenced by Canada's recent rejection of a similar proposal, CASA abandoned the proposal to change the ratios.¹⁶
- 1.20 The subject of cabin crew ratios has been canvassed several times by the Parliament in a variety of forums, including in the House itself and through parliamentary committees.
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12 Mr John McCormick, *Committee Hansard*, 19 May 2011, Sydney, p. 65.

13 Ms Beverley Maunsell, *Submission 2*, p. 1.

14 Ms Beverley Maunsell, *Committee Hansard*, 19 May 2011, Sydney, p. 16.

15 Civil Aviation Safety Authority, 'Discussion Paper: Commercial Air Transport Operations - Large Aeroplanes: Civil Aviation Safety Regulation (CASR) Part 121A', *Document DP 0001OS*, April 2000, p. A26.

16 Civil Aviation Safety Authority, 'Notice of Proposed Rule Making: Air Transport Operations - Large Aeroplanes: Proposed Part 121A of the Civil Aviation Safety Regulations (CASR)', *Document NPRM 0211OS*, April 2002, p. A41.

- 1.21 Following a well-publicised security incident on QantasLink Flight 1737 from Melbourne to Launceston on 29 May 2003,¹⁷ the then Transport Minister, the Hon. John Anderson MP, ruled out any changes to the cabin crew ratio:

Mr CREAN (2.01 p.m.) ... In light of last week's events, can the Minister confirm that CASA is considering changing its regulations to permit fewer flight attendants after being lobbied by airlines to do it as a cost-saving measure? Will the minister today acknowledge the critical safety and security role of flight attendants and rule out any reduction in the Australian minimum crew to passenger ratio?

Mr ANDERSON – Yes.¹⁸

- 1.22 The move to change cabin crew ratios was also strongly opposed by the then opposition:

A reduction in the crew to passenger ratio should never have been entertained in the first place. The shocking events of last week and the important safety and security role of the crew drove this point home.¹⁹

Civil Aviation Legislation Amendment (Mutual Recognition with New Zealand) Bill 2005

- 1.23 Consideration of legislation regarding mutual recognition arrangements with New Zealand again brought the issue of cabin crew ratios to the attention of the Parliament. Legislation was first introduced in 2003, and reviewed by a Senate Committee which reported in 2004,²⁰ but lapsed at the end of the 40th Parliament. The Civil Aviation Legislation Amendment (Mutual Recognition with New Zealand) Bill 2005 was introduced during the 41st Parliament and again reviewed by a Senate Committee, which reported in September 2005.²¹ Although recommending that the

17 Qantas, 'Qantas flight 1737', *Media Release*, 1 June 2003: <<http://www.Qantas.com.au/regions/dyn/au/publicaffairs/details?ArticleID=2003/may03/2916>> viewed 8 April 2011.

18 *House of Representatives Hansard*, 2 June 2003, p. 15 579.

19 Martin Ferguson MP, 'Anderson back on track on crew numbers, but still in denial about regional security', *Media Release*, 2 June 2003.

20 The Senate, Rural and Regional Affairs and Transport Legislation Committee, *Provisions of the Civil Aviation Legislation Amendment (Mutual Recognition with New Zealand and Other Matters) Bill 2003*, June 2004.

21 The Senate, Rural and Regional Affairs and Transport Legislation Committee, *Civil Aviation Legislation Amendment (Mutual Recognition with New Zealand) Bill 2005*, September 2005.

legislation be passed, concerns were raised during the inquiry process that recognising New Zealand's standards, and allowing New Zealand operators to operate in Australia under their own standards, would allow planes crewed at the 1:50 ratio to operate in Australia.

- 1.24 The Senate Committee noted in its concluding remarks to the 2005 report its concerns about the unintended impact that the bill could have on Australian aviation practices, and suggested that any subsequent changes to CASA's regulations in this context should be subject to parliamentary scrutiny:

The Committee believes that however unintended, it is inevitable that the proposed legislation will encourage Australian operators to either reduce standards of employment or employment opportunities for cabin crew and pilots or encourage operators to move offshore. The Committee believes that this may not be in the best interests of the industry or the travelling public, particularly if it results in the reduction of the standard of safety Australian passengers enjoy.

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Further, CASA, in making any changes to the regulatory regime relating to large aircraft, should be required to provide to the Minister for tabling in the Parliament a statement of reasons for the changes supported by relevant material.²²

- 1.25 A dissenting report from the Committee's Opposition Senators expressed particular concern about the potential impact of the legislation on Australian cabin crew ratios, noting:

Labor Senators believe that this report fails to recognise the importance of cabin crew to operational safety.

...

The report also fails to recognise that the Australian Government, following a Civil Aviation Safety Authority review of regulations relating to crew ratios, determined that crew ratios in Australia should not change.²³

22 The Senate, Rural and Regional Affairs and Transport Legislation Committee, *Civil Aviation Legislation Amendment (Mutual Recognition with New Zealand) Bill 2005*, September 2005, p. 14.

23 The Senate, Rural and Regional Affairs and Transport Legislation Committee, *Civil Aviation Legislation Amendment (Mutual Recognition with New Zealand) Bill 2005*, September 2005, p. 16.

2007 Senate Estimates

- 1.26 In May 2007, the Senate Standing Committee on Rural and Regional Affairs and Transport also discussed cabin crew ratios during a Budget Estimates hearing. Taking place after the New Zealand mutual recognition legislation had passed into law, the Senate Committee expressed disappointment that CASA had already granted an exemption to the 1:36 regulation to allow Virgin Blue to operate some of its aircraft under the 1:50 ratio, and that subsequent applications for exemptions for other airlines were also being processed.²⁴ Senator Kerry O'Brien noted:

So what the Committee was told during the inquiry, about the New Zealand measures not automatically coming in here was demonstrably wrong.²⁵

Granting of exemptions to the 1:36 rule

- 1.27 The Committee heard that in 2006, Virgin Australia (then Virgin Blue) approached CASA seeking an exemption to fly its Boeing 737-800 aircraft with four members of crew, instead of the five crew members required under the 1:36 ratio.²⁶
- 1.28 Ms Jane McKeon, of Virgin Australia, advised the Committee that Virgin Blue had approached CASA for an exemption:

... on the basis of the aircraft's design and manufacture being capable of operating at a one to 50 standard, and also based on our experience of operating Pacific Blue, which is our wholly-owned New Zealand-based subsidiary. Those services operated with a one to 50 ratio.²⁷

- 1.29 Virgin advised the Committee that it had fully evaluated the safety issues surrounding a move to the 1:50 ratio, conducting extensive consultations with staff and encouraging them to confidentially come forward with any safety concerns during the initial stages of operating with a 1:50 ratio:

... we tracked reports from the cabin crew from launch and trended and tracked the issues that they were reporting specifically to the one to 50 issue. We did not pick up any issues or

24 Senate Standing Committee on Rural and Regional Affairs and Transport, *Committee Hansard*, 22 May 2007, pp. 21, 27.

25 Senate Standing Committee on Rural and Regional Affairs and Transport, *Committee Hansard*, 22 May 2007, p. 27.

26 Ms Jane McKeon, *Committee Hansard*, 19 May 2011, Sydney, p. 37.

27 Ms Jane McKeon, *Committee Hansard*, 19 May 2011, Sydney, p. 38.

concerns around security or safety. We did pick up issues around some processes that were not quite working in terms of rest breaks and some other things around interface with the airport. We have diligently gone about working on and fixing those.²⁸

- 1.30 CASA evaluated the case presented by Virgin Australia, taking into account the certification of the United States Federal Aviation Administration that the aircraft was able to be operated with four members of cabin crew, and Virgin's operational procedures. CASA accepted the application, and granted an exemption.²⁹
- 1.31 As at 19 May 2011, CASA had given exemptions to a total of 11 operators for 13 models of aircraft. CASA explained that its exemptions are not provided to operators, but to particular aircraft types operated by them.³⁰
- 1.32 In considering granting an exemption, CASA requires applicants to provide satisfactory operational procedures including emergency procedures, and to substantiate claims of capability to safely conduct operations at a ratio of 1:50, including a risk management plan. This requirement was criticised by the Regional Aviation Association of Australia as superfluous, given the aircraft were approved for operations at the 1:50 ratio overseas.³¹ CASA also requires the operator to conduct a partial evacuation demonstration for the aircraft type concerned.³²
- 1.33 The Committee took an interest in the procedures used by CASA to verify that operators were complying with the operational procedures agreed upon following the granting of an exemption.
- 1.34 The Committee asked whether operators are re-tested by CASA several years after the granting of an exemption to confirm that they are still able to effectively evacuate an aircraft at the 1:50 ratio. The Committee was informed that this re-testing did not take place, but that CASA regularly observed cabin crew training and simulators to support their satisfaction with the original evacuation demonstration.³³
- 1.35 The Committee was also interested to hear whether CASA undertook a live, on-board audit to determine whether operators were performing at the level demonstrated in the evaluation process. It was informed that CASA could perform a scheduled audit, giving advance notice, or conduct
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28 Mr Stuart Aggs, *Committee Hansard*, 19 May 2011, Sydney, p. 39.

29 Mr Grant Howard, *Committee Hansard*, 19 May 2011, Sydney, p. 2.

30 Mr John McCormick, *Committee Hansard*, 19 May 2011, Sydney, p. 2.

31 Regional Aviation Association of Australia, *Submission 6*, p. 2.

32 Civil Aviation Safety Authority, *Submission 5*, p. 6.

33 Mr Grant Howard, *Committee Hansard*, 19 May 2011, Sydney, p. 10.

an unannounced, undercover audit of an operator's safety procedures. The Committee was advised that an unannounced audit had been conducted approximately three weeks prior to its public hearing, and that the operator's performance had been deemed satisfactory.³⁴

- 1.36 The other primary area of interest for the Committee was the process undertaken by CASA to provide exemptions to the 1:36 rule. Mr Grant Howard, of CASA, explained that a committee, made up of representatives of CASA regulatory services, some industry stakeholders including major operators, and staff associations, had been established to discuss the proposed changes to cabin crew ratios. Mr Howard noted the meetings were conducted professionally, and the issues identified would be part of the consultation process once the Director of CASA considers the NPRM.³⁵
- 1.37 In its appearance before the Committee, the FAAA argued that CASA's committee was a forum created to agree on a form of words to give effect to the change, rather than to debate the merits of changing or retaining existing cabin crew ratios.³⁶
- 1.38 In a supplementary submission, the FAAA informed the Committee that there had been no consultation regarding exemptions throughout the process of operators applying for and being granted exemptions to the 1:36 rule. A consultation process only commenced when the proposal to make exemptions permanent through the NPRM had commenced.³⁷
- 1.39 The Committee was concerned as to whether CASA was granting exemptions too freely, and inquired whether CASA had rejected any applications for an exemption, and the grounds under which the rejection had been made. CASA advised of a circumstance in late 2010 when a request made by an operator was rejected due to an insufficient risk assessment, and of a separate instance in mid-2011 in which an operator had applied for an exemption and had not provided a safety risk management plan. CASA advised that in both cases, the operator had not yet attempted again to seek an exemption.³⁸

34 Mr Grant Howard, *Committee Hansard*, 1 June 2011, Canberra, pp. 9–10.

35 Mr Grant Howard, *Committee Hansard*, 19 May 2011, Sydney, p. 61.

36 Ms Jo-Ann Davidson, *Committee Hansard*, 25 May 2011, Canberra, p. 4.

37 Flight Attendants' Association of Australia, *Supplementary Submission 10.1*, p. 1.

38 Mr Grant Howard, *Committee Hansard*, 19 May 2011, Sydney, p. 63.

The rationale behind the proposal

International harmonisation

- 1.40 In explaining the rationale behind its proposal to alter cabin crew ratios, CASA cited several reasons, including harmonisation with international standards:

Since the early 1990s, Australia's air transport operators have been turning to international practice to continuously improve cabin safety standards. Australian operators are regular attendees at international and local symposia for cabin safety. A study of 'lessons learnt' in major US aircraft accidents by the US National Transportation Safety Board (NTSB) and resulting recommendations to the Federal Aviation Administration (FAA) have largely been adopted in Australia by regulation or voluntary conformance.³⁹

- 1.41 Since 2009, CASA has been conducting a regulatory development project to bring Australian regulations into line with 'international best practice'. This project has required consultation with specialists and industry stakeholders, and consideration of cabin crew ratios has been part of the project.⁴⁰
- 1.42 The Regional Aviation Association of Australia identified harmonisation of Australian regulations with United States and European safety authorities to be a 'desirable outcome'.⁴¹ This argument was also supported by the Qantas Group, who suggested that it would bring Australia's regulations into line with global standards, and remove 'unnecessary complexity and cost to Australian operations'.⁴²
- 1.43 From the evidence received by the Committee, it is clear that the only real basis behind the current cabin crew ratio of 1:36 is that it was used in the early days of civil aviation in Australia, and has since been extrapolated as passenger aircraft have increased in size.
- 1.44 The Committee sought information on the basis for the 1:50 ratio in the United States, but was unable to ascertain that it was based on any clear case for greater safety. Indeed, witnesses noted difficulty in determining

39 Civil Aviation Safety Authority, *Submission 5*, p. 4.

40 Mr John McCormick, *Committee Hansard*, 19 May 2011, Sydney, p. 2.

41 Regional Aviation Association of Australia, *Submission 6*, p. 2.

42 Qantas Group, *Submission 4*, p. 5.

when the ratio was adopted in the United States, and the rationale behind it.⁴³ In its supplementary submission CASA advised that the 1:50 ratio had been adopted in the United States in 1965, the same year as mandatory evacuation demonstrations were also adopted in that country.⁴⁴

Aircraft design and certification

- 1.45 Several witnesses noted that modern aircraft constructed by Boeing and Airbus were designed and certified to operate safely with a ratio of 1:50.⁴⁵ CASA granted exemptions to the 1:36 rule on the basis of these manufacturer's certifications.
- 1.46 Several witnesses noted that improvements to the design of commercial passenger aircraft since the late 1960s had enhanced survivability and had reduced the threat of fire in the passenger cabin. The Qantas Group noted that:

Compared to 30 to 40 years ago, and under the same accident circumstances, passengers would now have less severe injuries, more time available to exit the aircraft before being overcome by heat, smoke or fumes, be able to find exits more readily, and have less debris blocking their path. The life saving role of cabin crew in emergencies has therefore been reduced by the aircraft improvements as many of the functions cabin crew had to perform previously to save lives are no longer as relevant or likely to be required.⁴⁶

World's best practice?

- 1.47 The Qantas Group suggested that a ratio of 1:50 constituted world's 'best practice'.⁴⁷ This approach was criticised by the Australian Airline Pilots' Association, who noted there was no documentation to suggest a ratio of 1:50 actually enhanced safety, and instead suggested that a ratio of 1:50 could only be considered to be 'world's accepted practice'.⁴⁸

43 Mr John McCormick, *Committee Hansard*, 19 May 2011, Sydney, p. 65.

44 Civil Aviation Safety Authority, *Supplementary Submission 5.1*, p. 1.

45 Civil Aviation Safety Authority, *Submission 5*, p. 12; Alliance Airlines, *Submission 1*, p. 10; Ms Susan D'Ath-Weston, *Committee Hansard*, 19 May 2011, Sydney, p. 24.

46 Qantas Group, *Submission 4*, p. 6.

47 Ms Susan D'Ath-Weston, *Committee Hansard*, 19 May 2011, Sydney, p. 24.

48 Australian Airline Pilots' Association, *Submission 9*, p. 1.

- 1.48 The Flight Attendants' Association of Australia (FAAA) identified a ratio of 1:50 as a minimum standard, and describes Australia's 1:36 ratio as 'the global best-practice standard'.⁴⁹
- 1.49 In a public hearing, retired air safety investigator Beverley Maunsell cautioned against the 1:50 ratio, as it was a standard primarily developed by the United States Federal Aviation Administration, which, she suggested, is primarily focused on promoting aviation, rather than having safety as a first priority.⁵⁰
- 1.50 Through the course of the inquiry, the Committee was interested in whether there had been any qualitative studies undertaken to compare operations at 1:36 and 1:50, and whether those studies demonstrated a difference in outcomes when operating at one ratio or the other. John McCormick of CASA advised that it would be 'difficult to quantify' whether one ratio provided more or less safety than the other. He explained:
- What is required is to meet an acceptable level of safety as a bare minimum. One in 50 does not in my opinion just meet a bare minimum; it exceeds a bare minimum. Whether one in 36 provides anything better than one in 50, we were unable to quantify that and prove that case.⁵¹
- 1.51 The Qantas Group also noted the global acceptance of a 1:50 ratio, describing it as 'a ratio that the majority of the world accepts is safe.'⁵² Qantas agreed with the Committee that formal studies into cabin crew ratios were an objective way of determining which ratio would be more appropriate, but was not aware of any studies into the 1:36 ratio.⁵³
- 1.52 Qantas also noted a US study into the factors influencing the survivability of passengers in aircraft accidents which indicated the level of risk reduction in having a lower cabin crew ratio was minimal, and that it was 'one of the least effective ways of reducing the fatality rate'.⁵⁴ However, Qantas also indicated in a public hearing that there were no other studies conducted into the issue, and that the study was not performed specifically considering Australian cabin crew ratios or standards.⁵⁵
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49 Flight Attendants' Association of Australia, *Submission 10*, p. 4.

50 Ms Beverley Maunsell, *Committee Hansard*, 19 May 2011, Sydney, p. 17.

51 Mr John McCormick, *Committee Hansard*, 19 May 2011, Sydney, p. 3.

52 Mr Robert Wood, *Committee Hansard*, 19 May 2011, Sydney, p. 25.

53 Ms Susan D'Ath-Weston, *Committee Hansard*, 19 May 2011, Sydney, p. 25.

54 Qantas Group, *Submission 4*, p. 11.

55 Mr Robert Wood, *Committee Hansard*, 19 May 2011, Sydney, p. 31.

- 1.53 The FAAA indicated to the Committee that the burden of proof to alter cabin crew ratios should fall upon those who advocate for the 1:50 ratio, suggesting:

It is the responsibility of those proposing an alternative safety standard to demonstrate that their proposal provides an equivalent (or higher) safety outcome. Quite simply, they must demonstrate that less crew members are as safe or safer than more crew members. The FAAA contends that this is incorrect, and has not been demonstrated.⁵⁶

- 1.54 The Committee sought more information on the relative merits of the 1:36 and 1:50 ratios, asking CASA for their opinion on which ratio was safer, and whether there were any problems in Australia having a different ratio to the United States and Europe. John McCormick of CASA explained:

I am not convinced that one in 36 provides a higher standard of safety than one in 50 ...

I agree with you that there is absolutely no reason why Australia cannot have a higher safety standard in some areas, or any area for that matter. We should have the best safety that we can, commensurate with commercial reality and what that level is ...

To get to the basis of your question of whether there is a problem with Australia having a different safety standard; no, not intrinsically.⁵⁷

- 1.55 Airline safety advisor Mr Ken Lewis discussed the risk assessment process he regularly undertook, and spoke about applying the same process to the assessment of cabin crew ratios:

The other thing you do with a risk assessment is that you take the existing system and work out what the level of risk is in that existing system and what you do to mitigate it. Then you do a risk assessment of what you propose, work out what there is to mitigate it, and then compare the two risks. So you are comparing with what you had and what you want. That has not been done.⁵⁸

- 1.56 Given the lack of data, and the questionable value of partial evacuation demonstrations as a representation of a real life evacuation (as explored further in the following chapter), the Committee finds it extremely

56 Flight Attendants' Association of Australia, *Submission 10*, p. 11.

57 Mr John McCormick, *Committee Hansard*, 19 May 2011, Sydney, p. 14.

58 Mr Ken Lewis, *Committee Hansard*, 25 May 2011, Canberra, p. 7.

difficult to ascertain whether the 1:50 ratio is as safe as a 1:36 ratio, and whether the 1:50 ratio should be enshrined as the Australian standard.

Cost savings

- 1.57 In its appearance before the Committee, Virgin Australia freely acknowledged that cost savings had been behind their application to CASA for the initial exemption to the 1:36 rule that had started the process of applications for exemptions by other operators.⁵⁹
- 1.58 Mr John McCormick of CASA advised that once the Civil Aviation Legislation Amendment (Mutual Recognition with New Zealand) Bill 2005 had been enacted, enabling a New Zealand airline to operate in Australia with a 1:50 ratio, Australian airlines began requesting exemptions to the 1:36 rule:
- ... [once an operator] was allowed to operate here at one to 50, I think in my opinion the commercial imperative kicked in. Then, of course, as soon as one person gets it, we look other ways and the next person is going to come around.⁶⁰
- 1.59 The Qantas Group advised the Committee that they did not take advantage of the exemption on all flights, and that flights through the main carrier (Qantas) maintained larger crew numbers for reasons of passenger amenity and due to an enterprise agreement requiring higher numbers of crew,⁶¹ meaning there were no cost savings to Qantas.
- 1.60 When asked about Jetstar, the Qantas Group informed the Committee that there were cost savings involved in reducing the number of crew on Jetstar flights.⁶² As a low cost carrier, Jetstar seeks to reduce costs and, as a result, places less emphasis on passenger amenity than Qantas.
- 1.61 Other witnesses identified that competitive pressures had also driven them to seek exemptions to the 1:36 ratio. Cobham Aviation, a charter airline, noted that international operators, including those operating out of New Zealand and Papua New Guinea, were operating at the 1:50 ratio, creating what they described as unfair conditions for Australian operators.⁶³

59 Mr Stuart Aggs, *Committee Hansard*, 19 May 2011, Sydney, p. 38.

60 Mr John McCormick, *Committee Hansard*, 19 May 2011, Sydney, p. 64.

61 Mr Robert Wood, *Committee Hansard*, 19 May 2011, Sydney, p. 28.

62 Mr Robert Wood, *Committee Hansard*, 19 May 2011, Sydney, p. 27.

63 Cobham Aviation, *Submission 3*, p. 1.

- 1.62 The Committee considered smaller operators further in its public hearing. When asked what had prompted Alliance Airlines, another charter airline, to seek exemptions to the 1:36 rule, Tony Maddern, Projects Manager of Alliance's Flight Operations division, noted that 'CASA published the fact that other operators had it, and we saw the cost benefit in doing it.'⁶⁴
- 1.63 Further, Mr Maddern indicated that Alliance had removed four seats from each of their Fokker 100s to make them 100 seat aircraft, rather than 104 seat aircraft. This enabled the aircraft to be flown with just two cabin crew members as long as an exemption to the 1:36 ratio was maintained.⁶⁵ If the aircraft had remained with 104 passenger seats, it would require three members of cabin crew to operate.
- 1.64 In its submission to the inquiry, Virgin Australia indicated that it 'would be quite difficult' for additional costs to be absorbed by the airline were the 1:36 rule to be reinstated.⁶⁶ Evidence was sought from witnesses to assist the Committee to understand whether cost savings had been gained through operating at a ratio of 1:50. Qantas indicated to the Committee that the cost savings, at a per passenger rate, were negligible.⁶⁷
- 1.65 This view was supported by some modelling provided by the FAAA, who calculated that with an average passenger load of 80 per cent, the cost per passenger would be between \$0.80 and \$1.56 for an additional member of cabin crew.⁶⁸
- 1.66 The Committee explored other cost pressures in the aviation industry in an attempt to determine the impact a change to the cabin crew ratio may have on operators. Tony Maddern of Alliance Airlines indicated that salary costs were approximately 30 per cent of Alliance's total costs, and agreed that the volatility of fuel prices could 'wipe out' some of the savings made through a reduction in crew.⁶⁹
- 1.67 Beverley Maunsell, a retired air safety investigator and former cabin crew member, advised that an increase in the cabin crew ratio and subsequent reduction of cabin crew on an aircraft would also have an impact on employment in the sector.⁷⁰

64 Mr Tony Maddern, *Committee Hansard*, 19 May 2011, Sydney, p. 47.

65 Mr Tony Maddern, *Committee Hansard*, 19 May 2011, Sydney, p. 48.

66 Virgin Australia, *Submission 7*, p. 12.

67 Ms Susan D'Ath Weston, *Committee Hansard*, 19 May 2011, Sydney, p. 28.

68 Flight Attendants' Association of Australia, *Supplementary Submission 10.1*, p. 2.

69 Mr Tony Maddern, *Committee Hansard*, 19 May 2011, Sydney, p. 51.

70 Ms Beverley Maunsell, *Committee Hansard*, 19 May 2011, Sydney, p. 21.

- 1.68 Virgin Australia supported this view, with representatives noting that it did not currently employ enough cabin crew to operate under the 1:36 rule. The Committee asked about the financial impact on Virgin Australia of removing exemptions to the 1:36 rule, and heard:

It would have an impact in terms of a shortage of crew initially. It would probably take us six to nine months to recruit and train additional crew. Obviously there would be a cost impact as well. In terms of our willingness to comply with that – of course, if that is the decision made, we are very comfortable. If that is the decision made on safety grounds, certainly we will comply with that. Will it have a business impact? Yes it will.⁷¹

- 1.69 The Regional Aviation Association of Australia also noted in its supplementary submission that airlines would have to increase their cabin crew complement if the 1:36 rule was re-enforced.⁷²
- 1.70 Similarly, CASA agreed with the Committee's suggestion that exemptions granted to regional carriers would naturally lead to a loss of jobs in areas where regional airlines operated.⁷³

Committee comment

- 1.71 The Committee considers that discussion of these issues highlights the challenges in assessing operators' motivations in seeking exemptions to the 1:36 ratio, and the consequent possible impacts on passenger safety. No operator indicated to the Committee that they sought exemptions to the 1:36 rule because the 1:50 rule was safer, or had been proven to be safer. They all agreed that the primary reason had been for cost purposes, or to prevent their rivals from gaining any competitive advantage. This was supported by CASA, who displayed an understanding and acceptance that financial benefits were the key driver for operators to seek exemptions.
- 1.72 The Committee was concerned to hear of operators, particularly regional airline operators, altering their aircraft seating configurations to take full advantage of exemptions and this caused significant concern to the Committee. Members noted that a number of regional airlines with Dash 8 200 and 300 Series currently operating with two cabin crew could be reduced to one under a 1:50 ratio.

71 Ms Jane McKeon, *Committee Hansard*, 19 May 2011, Sydney, p. 40.

72 Regional Aviation Association of Australia, *Supplementary Submission 6.1*, p. 3.

73 Mr John McCormick, *Committee Hansard*, 19 May 2011, Sydney, p. 13.

- 1.73 Through its public hearings, the Committee sought to determine the cost impact on passengers if the 1:36 ratio were to be enforced. While submissions suggested the costs may be significant, during public hearings, operators seemed to indicate that the costs may not be as significant as expected. Indeed, while the Qantas Group held exemptions, it only used them on its low-cost carrier.
- 1.74 The Committee notes that some witnesses were unable to readily identify whether the cost savings obtained through operating with an exemption had been passed through to passengers,⁷⁴ which also suggests to the Committee that these cost savings may have been minimal.

74 Mr Robert Wood, *Committee Hansard*, 19 May 2011, Sydney, pp. 27–38.

