



To whom it may concern

The Regional Aviation Association of Australia (RAAA) welcomes the opportunity to provide a submission to the Jobs and Skills Australia consultation on the Core Skills Occupations List (CSOL) May 2024.

- Aeroplane Pilot (231111)
- Helicopter Pilot (231114)

About RAAA

The Regional Aviation Association of Australia (RAAA) is a not-for-profit organisation formed in 1980 (formerly known as the Regional Airlines Association of Australia) to protect, represent and promote the combined interests of its regional aviation organisations across Australia. 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 and remote areas of Australia.

The RAAA has approximately 125 organisational members who directly employ over 10,000 people, many in regional areas. On an annual basis, the RAAA's Air Operator Certificate (AOC) members jointly turnover more than \$1.5 billion, carry well more than 2 million passengers and move over 23 million kilograms of freight. Our regional airport members also provide and manage critical infrastructure across Australia.

As detailed in our Constitution, the aim of the Association is to support our members by working with Government, the regulatory authority, and the community, to promote the maintenance of a safe and viable regional aviation industry.

Introduction

Australia's aviation industry continues to experience one of its most challenging skills shortages for both pilots and Licenced Aircraft Maintenance Engineers (LAME).

These challenges are not new. The industry has historically managed other skills shortages including the peaks and troughs in pilot demand and availability. However, the current shortages are different this time when compared to others. The skill shortages are ubiquitous and are being felt across all aviation sectors and by large and small operators both here and overseas.

Additionally, the pool of appropriately skilled and experienced pilots in Australia continues to be under considerable stress as the level of global competition for the pilot cohort continues to increase.

The current situation is also being felt more significantly post-covid as many skilled pilots have not returned to full time work in the aviation industry and, many that are back are in the aging workforce demographic with a large proportion of the pilot population approaching retirement age.

Whilst every effort is being made to grow the pilot training pipeline within Australia it remains a fact that the timeline to train and gain sufficient experience to fly commercially for an airline takes many years.

The pilot shortage has already had significant impacts for many operators. In some instances, it has meant flight cancellations or delays leading to reduced availability and connectivity and increased operation cost to attract and retain experienced pilots. These costs may also be passed onto consumers with increased ticket prices.

One of the main options that all airline operators have, in addition to trying to train and hire pilots here in Australia, is to recruit experienced pilots from overseas from other countries and continents who operate under likeminded or similar regulatory regimes. This includes, but is not limited to, the United States, Canada, Europe, southeast Asia, and South Africa.

Subsequently it is of utmost importance that all avenues and channels to facilitate the successful recruitment of pilots from overseas remain available to Australian air transport operators and this includes ensuring that the Core Skills Occupation list continues to include 'pilots.

The Worldwide Pilot Shortage

According to aircraft manufacturer Airbus over the next 20 years the aviation industry will continue to face a critical talent shortage of more than 585,000 pilots and more than 640,000 maintenance technicians needed world-wide to meet ever growing air traffic demand.

Boeing's 2022 Pilot and Technician Outlook projects that 602,000 new pilots, 610,000 new maintenance technicians, and 899,000 new cabin crew members will be needed to fly and maintain the global commercial aviation fleet over the next 20 years. This forecast assumed that air traffic demand would recover to 2019

levels by 2024. This has practically been realised. Additionally, the forecast does not include business aviation and helicopter sector demand.

World-wide air travel has, or has nearly, recovered post-covid. According to the International Air Transport Association (IATA) international traffic in 2023 climbed 41.6% from 2022 levels and reached 88.6% of 2019 levels. In the fourth quarter of 2023, traffic was at 94.5% of 2019 levels.

As the size of the aircraft fleet continues to increase worldwide, coupled with the recovery of air travel to 2019 levels by 2023, many in the industry believe the pilot shortage will accelerate. IATA says that projections show the pilot shortage in the Asia-Pacific could reach more than 22,000 pilots by 2025.

The Pilot Shortage in Australia

A report prepared for the Department of Infrastructure, Transport and Regional Development, Communications and the Arts by the Expert Panel on Aviation Skills and Training also clearly defined the problem back in 2018. The report summary stated then.

‘Australia is experiencing severe shortage of aviation personnel and the situation is growing worse. The current shortage of qualified pilots and aircraft maintenance engineers is a global problem and a major issue for Australia’s aviation system. Urgent action is required if the country is to avoid major disruptions’.

Post-covid many airlines in Australia have been forced to reduce their schedules due to a shortage of pilots and crew. This has also led to an increase in delayed and cancelled flights. The latest data from the Bureau of Infrastructure and Transport Research Economics (BITRE) around on-time performance showed only 73.4% of domestic flights arrived on time in January 2024, and 3.1% were cancelled. This is less than desirable when compared to the long-term averages of 81% and 2.2%.

Specifically, for many of the RAAA membership they have been forced to cut some regional services as members cannot properly crew and/or source the necessary spare parts for their aircraft fleets.

It has been publicly reported that both Qantas and Virgin have also been challenged to fill and/or maintain pilot with their regional subsidiaries National Jet Systems, Sunstate, Eastern, Network Aviation and Virgin Australia Regional Airlines (VARA) that run many regional services as well as fly-in-fly-out charter services.

Jetstar has also made changes to its recruiting policy and would consider employing pilots (rather than first or second officers) from outside the company for the first time, to fill vacancies in Perth and Sydney.

This is all against a backdrop of aircraft fleet expansions and renewals. In coming years, a significant proportion of current pilots will also reach retirement age, leaving a considerable gap of expertise.

As a further example another RAAA member who operates a single aircraft type fleet currently has a pilot requirement of 35 pilots to meet their operational and contractual needs and unfortunately, they only have 27 pilots of which 26 per cent or 7 pilots are already from overseas. On their current growth projections, they will need 45 pilots by the end of the year. Despite recent recruitment activity they have unable to recruit pilots for their Brisbane operations base. Further to this they have lost 12 pilots to other airlines in 2023 and have lost 3

pilots so far this year. One of their core recruitment opportunities is to bring in overseas pilots to help fill these vacancies.

Conclusion

The current and projected demand for suitably qualified and experienced pilots in Australia is extremely high and is expected to continue to grow over the near and longer term. Whilst every effort has and will continue to be made to train and develop the required numbers of pilots within Australia, a significant shortfall in numbers will remain. This delta will be further deepened with many of the existing pilot cohort at, or nearing, retirement age.

The RAAA strongly requests that the Federal Government continues to explore and provide every available opportunity for Australian aviation businesses to source and recruit the necessary skills and in particular pilots from overseas and that aeroplane pilot (231111) and helicopter pilots (231114) remain on the Core Skills Occupations List (CSOL) to facilitate any future recruitment.



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