

Pilot Training – Regulatory constraints and hurdles

This issue can be broadly split into two:

- Issues which impact on the New Zealand supply chain
- Issues which impact on the international competitiveness of the training industry.

The impact of these issues varies between Fixed and Rotary pilots and so we have further divided the impacts into “the same”, fixed only or Rotary Only

Impact on the supply chain.

These regulatory constraints have been divided into abinitio and post qualification

Pilot	Abinitio	Post qualification
Fixed	Average time taken to achieve a diploma qualification through a funded course, which just includes the CPL, ranges from 76 to 88 weeks depending on the stream being taken. A self-funded student will complete a CPL in around 12 months. Global best practice 18months.	135.509 IFR 750 hours as pilot including 150 hours cross country of which 50 hours cross country IRF.
	The CPL flight test requires an external third party. In Australia, designated flight schools can perform this task.	135.505 consolidation training 10 hours
	The APTL requires a flight test. In Australia, flight tests are not required (just an exam test and evidence that the hours requirement has been met)	125.505 IFR 1200 hours flight time
		125.507 VFR 500 hours flight time including 10 hours cross country and for night Ops 25 hours of night flying
		121.557 500 hours flight time including

		100 hours in air operations, or 500 hours multi engine; and 40 hours instrument time of which 10 hours completed under supervision and 25 hour night flying
Rotary	Under slung loads. 10 hours is required for the NZ CPL but this is not required in the basic qualification elsewhere)	135.509 IFR 750 hours as pilot including 150 hours cross country of which 50 hours cross country IRF. 135.505 consolidation training 10 hours
Both	<p>Required to sit License exams for PPL and CPL – global practice CPL exams only.</p> <p>Time expired nature of exam passes – New Zealand 5 years maximum.</p> <p>Required to undertake Basic Gas Turbine exam for PPL – not requirement in rest of world.</p> <p>Required to undertake terrain avoidance training. Not required elsewhere in the world. The effect of this requirement is to increase time spent to on CPL by 10 hours, representing additional costs of approx \$3250 – A and \$6350 – H.</p> <p>Cost of medical certification \$NZ331. Highest in global even allowing for exchange rates</p>	

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Impact on competitiveness – note the references are to both pilot and engineering training

1. **GST** - the industry pays GST on international training. Many competitors do not. Some changes to GST for B2B contracts (overseas customer/NZ trainer) are proposed wef 1 April 2014.
2. **Certification practices** have not kept up with international best practice (especially Pts 141, 142 and 147). There is a requirement for this certification in some markets (e.g. Pt 141 for airline pilot training for China), a perception in some markets that foreign schools are required to have Pt 141 before they can train locals (e.g. China GA) and an expectation in others that we already have it. The absence of a Pt 147 prevents our undertaking short term engineering training contracts in the Middle East and parts of Asia.
 - 2.1 In the absence of Pt 141 and 147, CTC has been able to rely on its UK certification but there is a cost of maintaining EASA certified instructors and for site instructions. Air NZ Aviation Institute, which has an EASA Pt 147, estimates that this cost \$100,000 to obtain and there are considerable ongoing annual costs. They have indicated that if a NZ Pt 147 was implemented, they would drop the EASA certification.
 - 2.2 The costs of seeking and maintaining EASA Pt 141 and 147 certification, in the absence of confirmed contracts, presents significant commercial challenges for NZ trainers.
3. **Absence of MPL** given forecasted pilot requirements, there is a move internationally towards a MPL. There is no NZ MPL. CTC can provide such training through its UK parent.

The value of training to internationally recognisable standards and alignment globally.

NZ is a comparatively new player in the airline pilot training market and in some international markets (e.g. China, Indonesia). The existence of an internationally recognised regulatory regime reduces the risk of new customers engaging with us.

- Airways NZ delivers ATC training to the ICAO standard. International business is growing.
- Several providers deliver Aviation English training to the ICAO standard. International business is growing.

The Professional Aviation Board of Certification, Washington, is developing a global ATPL to make it easier for pilots to operate in a global aviation World. The intention is that this would be acceptable to ICAO members. Where individual regulators require something additional, this could be achieved by an endorsement on a pilot's global licence. If the Board is successful in implementing a global ATPL with ICAO approval, it has signified an intention to then assess the CPL

Recommended actions

It is understood that the MOT has no money for the contracting out of policy development work. However the skills within the agencies (MOT and or CAA) are either fully committed on other project work or the priority assigned this work is not urgent relative to other work. As the project is of economic importance to the industry it is recommended that CAA let an RFP which:

- Examines the issues of alignment to EASA in the instances of the packages of rules around qualifications and training i.e. 141;147; 61 and 43
- Develops an assessment of the difference between global best practice in areas other than above and develops an internationally competitive PPL/CPL syllabus
- Highlights areas where we are in advance of best practice or lagging behind and, where lagging, provide the solution in a form that a rule can quickly be developed.
- Aligns specific rules relating to minimum pilot competencies to a risk assessment of the New Zealand operating environment including investment in :
 - Education and training
 - Licensing and certification
 - Advances in learning systems
 - The role of professional flight schools
 - The structure of the New Zealand operating environment including flight schools, 135, 125 and 121 operations.

The proposed amendments to Rule Part 61 currently under consideration be considered in the context of developing a globally competitive training industry.

Policy development is a core regulatory function for which the CAA receives funding either directly from government or indirectly from industry levy payments for policy development.