

Aviation New Zealand Pilot Training Objectives

A “whole of government” approach which:

- Improves competitiveness and maximises the economic contribution of the Aviation sector
- Is based on a market driven EFTS model
- Removes regulatory constraints on domestic and international competitiveness
- Incorporates a transparent EFTS-allocation model based on key principles e.g. productivity, efficiency, diversity and safety

**‘Student-loan funded Degree/Diplomas in Aviation
made becoming a commercial pilot accessible to all
New Zealanders and promoted investment in quality
services and products’**

Jamie Bruce

Cadet Pilot



Two Years

Flight Instructor



Four Years

Jetstar First Officer



The reward = \$180m* contribution to economy

Policy Settings – the vision

Regulatory – building a NZ flight training sector capable of competing globally by removing domestic regulatory (CAA) barriers to efficient training; and

Government policy:

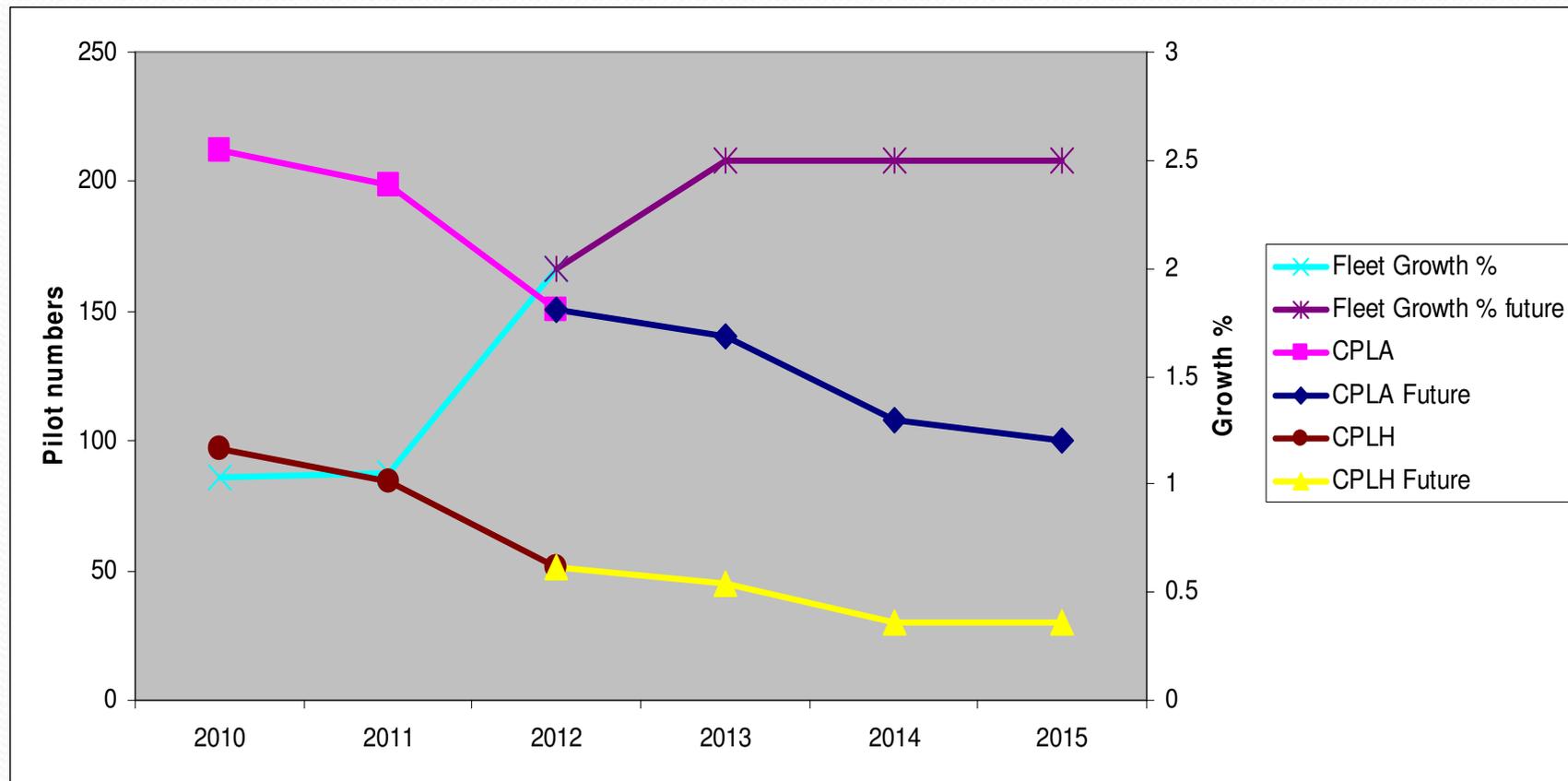
- Generates economic growth and high value employment creation
- Market demand based EFTS cap reflecting internationally verified forward forecasts e.g. ICAO, IATA, Boeing, EADS (Airbus/Eurocopter), ASPEQ
- Transparent collaboratively developed allocation criteria
- Funding linked to productive year not academic
- Funding cap linked to efficient cost of delivery.

* Source: New Horizons Report June 2010 for NZTE

2013 Policy settings :

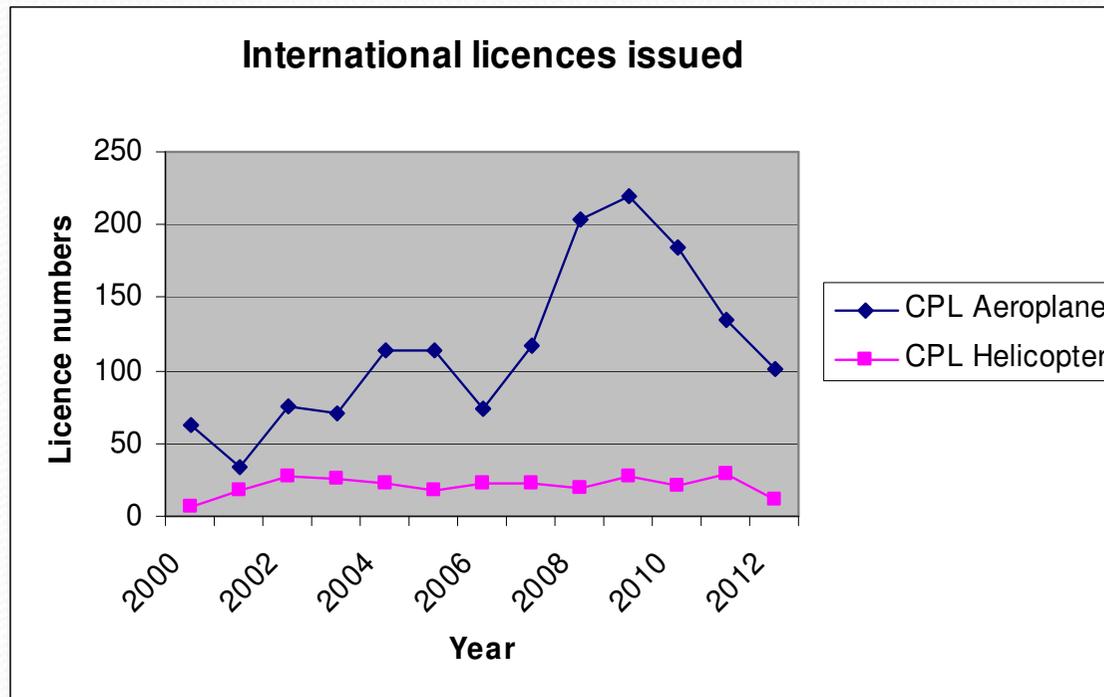
- \$35,000.00 (incl. GST) per EFTS borrowing limit requires additional contributions:
 - \$50,000 per student (fixed-wing FI)
 - \$30,000 per student (fixed-wing ATPL)
 - \$90,000 per student (helicopter FI)
 - \$35,000 per student (helicopter CPL)
- Created an “elite” career for dependents of the well paid or those pursuing “career” change. Settings have
 - Removed lower socio-economic groups, specifically Maori and Pacifica
 - Discriminated against Flight Instructing as a Career – NZ training = 0 Helicopter Instructors
- Counter to Government’s policies for supporting Maori and Pacifica, and equal access for all New Zealanders
- Compromise future growth and undermines future wealth creation for New Zealanders

The practical effect is substantially reduced supply when demand is increasing



Data Sources: Actuals = CAA 2010-2012; Future = projected Licence completions from Industry EFTS model and FAA global fleet growth forecast

And our ability to attract international students is being damaged



2012 v 2009

Loss of \$10.4m in trainer income

Loss of \$46.2m in economic activity*

Challenges

Training is a global and globally connected industry

More competitive and internationally relevant curricula

Better funded industry investing in facilities with focus on quality and value

Data Sources: CAA and * New Horizons Report
June 2010

Short Term Solutions

- **Recognition** that pilot supply is a critical strategic supply chain issue for the economy, urgent attention is required
- **Enable** flexibly set EFTS cap in line with demand forecasts
- **Redesign EFTS allocation** based on industry best practice and lead education policy indicators
- **Remove productivity constraints** - set EFTS fee on efficient pricing
- **Align** industry safety **regulations** with international practice
- **Review** on regular cycle to reflect industry changes

New Model?

