

Media Release - SPEECH

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**FOR IMMEDIATE RELEASE**

*This speech was given by Ian Calvert, CEO of CTC Aviation Training (NZ) Limited at the New Zealand Aviation Industry Association (AIA) Conference today at the Duxton Hotel, Wellington, New Zealand. The opinions expressed are Ian Calvert's own and do not necessarily reflect the industry view as a whole.*

## **The Future of Flight Training in New Zealand**

Wellington, New Zealand - What is the future of flight training in New Zealand?

It is one of the most exciting times in aviation history to be in the flight training sector. The risk for the New Zealand flight training industry, however, is that we are at risk of missing out on a huge opportunity. We - the New Zealand flight training industry - must take more control to make the future what we want it to be.

I will cover four points:

1. Who are we training for?
2. How many do we need to train?
3. Where is the future market?
4. Government funding - benefactor or barrier?

### **Who are we training for?**

When it comes to asking the question, '*Who are we training for?*' a reality check is needed. We are not training for New Zealand airlines, as they do not take in raw cadets.

Our industry is primarily training for general aviation (GA) - a few of those trainees go to the agricultural industry and only 15% of funded training is for helicopters.

Flight instruction numbers rely on airline uptake - from within New Zealand and overseas - which leads to an attitude of temporary commitment and further leads to difficulty in maintaining quality, practices and skills (i.e. terrain awareness privileges). This attitude also discourages flying as a career.

Individual international students, while beneficial in increasing a school's throughput, do not necessarily enhance our industry. This is mostly due to the low price and poor return they offer.

### **How many trainees do we need?**

The New Zealand flight training industry needs to measure each year how many new pilots are employed into their first income-earning flying job. This is something that is not yet done, which leads to many different figures being quoted. Therefore, there is a general distrust of the industry and the numbers.

In New Zealand, how many pilots are employed into their first income-earning flying job each year? Is it 50 a year, 100, 200?

And, how many of these pilots actually go overseas to fly?

The number of pilots needed to satisfy pilot demand in the New Zealand industry is, in reality, probably quite small year on year. I would estimate it might be 100 or so per year. So why are we fighting for funding to train significantly more?

Just maybe the flight training industry is over resourced in training organisations? Just 1 – 3 of the bigger trainers could train the entire New Zealand requirement in any given year. So, what are all the other trainers doing? Are they training New Zealand pilots to go overseas?

In contrast, the international market needs tens of thousands of pilots each year. The training capacity around the world cannot cope with pilot demand:

- Europe is 7500 short
- The Middle East is 1300 short
- Asia Pacific is 9000 short
- Africa is 2500 short
- Latin America is 4000 short

Only the USA has a surplus of pilots but even that leaves the world short in training capacity of 7500 pilots. As an example, IndiGo Airlines of India will receive a new aircraft each month for the next 13 years! It needs pilots to fly these aircraft.

## **Where are the future markets?**

Obviously the future market is international if the New Zealand flight training industry wants to retain the number of organisations and size of our industry.

Individual students from overseas are not enough, however. If we are to grow the industry and meet market demand for skills and quality, we must shift our thinking from just ‘training to a basic commercial pilot’s licence (CPL)’ and switch our thinking to ‘training for airline operations.’

The ‘training to a basic CPL’ mindset may be suitable for New Zealand domiciled pilots heading into GA, but it is totally inadequate for a pilot heading directly into an airline – and that is what the international market wants, particularly low-cost carriers (LCC).

This has been proven over and over again in Europe, the Middle East and even China and with other Asian operators. Why is our industry so slow to accept that while there is nothing ‘wrong’ with our current training, it just does not meet this particular need. We need to change if we want to be part of this growing international industry.

I liken the current thinking to training a petrol engine mechanic and then sending him or her to fix diesel engines. The person could probably do it with more training on the job and some experience. He or she may even become proficient, but they will not be as skilled as someone trained to be a diesel mechanic from the start.

The New Zealand industry needs to develop itself to be capable of training for direct airline entry and seek airline contracts. This will provide us with more security, longer term and better returns.

## Government funding

Is Government a benefactor or barrier?

The industry coped and met industry needs pre-student funding for aviation. Funding was, no doubt, mishandled by the industry in the beginning but has improved significantly in most areas. But it has grown the industry to beyond what is needed for local training. Hence, many organisations have expanded into international training. This is not solely due to the poor economic return of funded students, but also because of volume - many are training international students at very low cost.

Budget figures per equivalent full-time students (EFTs) were promising and based on approximately two (2) EFTs for a CPL, MEIR and ATPL subjects. In theory, this would have worked well. The problem really was in retaining 600 EFTs - this number is still clearly too high. Even at 2.4 EFTs for training in these subjects and providing 250 pilots for the New Zealand industry is too many.

When it comes to student funding of solo flying, I have to express a different view to many in our industry. The argument that a student will take a funded course - say, law or accounting - because it is funded, rather than go into pilot training does not take into account one important factor. A person will not become a pilot by studying law or accounting!

We at CTC Aviation Group have often expressed - to anyone who will listen - that pilots are passionate about flying, want to fly and will do almost anything to make their dream of flying a reality. Because they are driven by this passion, they will not choose to be a lawyer or an accountant.

Airlines, GA employers and Flight Schools are going to have to be active in ensuring the employment prospects of those training have a meaningful and very real employment outcome. Some commitment may be needed. There may even be some help required in the form of sponsorships and bonding arrangements.

It will be essential to look at First Officer salary rates. Becoming a First Officer should be a viable and financially rewarding career in its own right.

It is for these reasons we must ensure the 'level' of funding is correct rather than the 'volume' of funding. It is impossible to pay what will be needed if the financial return is insufficient.

Operators may need to 'tag' a trainee in order to ensure they have pilots when they need them. Becoming involved, or at least linked through some form of commitment, with the training providers is going to become more important if training providers do not want to miss out. Making this shift will lead to training pilots for jobs - not 'on spec!'

Flight training organisations can support the New Zealand industry by leveraging off the international market. However, this will require cooperation - something our flight training industry is not noted for.



Marketing and selection internationally is expensive. Why not utilise those doing it for the benefit of others. For example, if some potential pilots are not successfully selected for direct airline entry, they may well be suitable for a longer, more generic CPL training regime which could be catered for by many New Zealand trainers. A placement fee to have these students made available would be significantly cheaper than 3 or 4 organisations trying to recruit independently on an international scale.

Internally, once a student is at the CPL level, we need to be encouraging of them to complete role training at an organisation best equipped to train them for their chosen path - whether it be GA, the agricultural industry or for an airline. Flight training organisations in New Zealand should not be afraid to recommend each other

This is one of the most exciting and potentially greatest times for pilot training. But, we are in danger of remaining a big deal in the small pond that is the New Zealand flight training industry.

The New Zealand flight training industry either grabs the opportunity on our doorstep with both hands by thinking outside of New Zealand, or slumps back into being an irrelevant industry in a global sense.

-ENDS-

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## About CTC Aviation Group plc

CTC is a global leader in aviation training and management solutions. As an Approved Training Organisation (TRTO and FTO) we train between 1200 and 1900 aircrew for more than 50 global airlines each year. Our UK and NZ based Crew Training Centres house state-of-the-art Airbus and Boeing simulators, hi-tech Computer Based Training facilities and a fleet of the latest, modern technology training aircraft; all supported by one of the most experienced teams of Training Captains and Instructors worldwide.

Our portfolio spans the full spectrum of airline training and resourcing requirements; pilots and cabin crew; basic licence and ATPL training, type rating training, command and non-technical skills through to TRE Standardisation; ground school, simulator provision and line training; management and consultancy support; start ups, conversions and recurrent.

Airline clients include Air New Zealand, Air Malawi, Air Seychelles, British Airways, Eagle Airways, easyJet, easyJet Suisse, flydubai, Jet2.com, Jetstar and Jetstar Pacific, Monarch Airlines, NetJets, Oman Air, Royal Brunei Airlines, spiceJet, Thomas Cook Airlines, Thomson Airways and Virgin Atlantic Airways.

**“CTC Wings”** is a unique, comprehensive programme of developmental training for tomorrow’s airline pilots. The *CTC Wings* Cadet route takes individuals with no flying experience all the way to the right hand seat of a commercial airliner in approximately two years.

**“CTC TAKEOFF”** is a comprehensive range of accessible and affordable JAA / EASA modular courses ranging from ME CPL/IR through to MCC and type rating.

**“CTC FlexiCrew”** is an initiative to provide flexible yet quality resourcing solutions for both the airline industry and qualified pilots, including experienced instructors and examiners.

**CTC Aviation Jet Services Limited**, the company’s private jet management division offers a personalised service for private jet owners around the world seeking a bespoke and total solution to managing and operating their fleet.

CTC holds UK CAA JAA/EASA TRTO and FTO/ATO Approval and is also recognised by various regulators worldwide.

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