

# [Pilot labor market in australia](https://assignbuster.com/pilot-labor-market-in-australia/)

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The aviation industry is one of Australia’s largest transport industries and underpins business and tourism with a revenue of $43. 54 billion adding $15 billion towards the Australian economy in 2017. The industry employs around 90 thousand employees across 5 sectors: domestic, international, general aviation, freight and aviation support infrastructure which help develop facilities and terminals.

In the past 5 years, airlines have started recruiting in large quantities to meet the global pilot shortage. Prior to this, there was little movement and upskill within companies due to the demand of jobs was overly populated by highly skilled pilots. After the global financial crises in 2008, the tourism market was at all-time low because people couldn’t justify spending money on a holiday or travel and became more of a want. The change in global demand for travel changed once the global economy showed signs of growth. It is expected by 2030, that international and domestic activity will be doubled globally. Airlines have dropped the minimum hours requirements for pilots from an average of 3000 flight hours to the lowest it’s ever been at 1500 hours to join. Senior flight instructors and charter pilots who had thousands of hours suddenly began leaving general aviation to enter the airlines causing flight training schools to feel backlash causing disruptions in seniority and training. Due to the duty of care to communities in aviation, Airlines had to consolidate with training schools to develop flight training courses such as cadetships to meet the industry wide demand. Students who completed high school demonstrated a small demand for studying aviation because of the high costs associated with training. To combat this airline have started presenting seminars at local schools and opening cadetship programs for new entrants ensuring to develop sustainable growth for pilots in the near future. On completion of these tailored courses, students would have the required licenses and company specific standard operating procedures implemented into the training ready for the flight deck. Furthermore, VET Fee Help has become more widely available to students however there are number of significant courses that are not yet subsidized.

This may be because of the number of students who apply for these loans compared to the number of students who attain licenses in the end is significantly lower. Aviation growth Domestic commercial aviation is very crucial part of tourism in Australia with Sydney- Melbourne being the world’s second busiest domestic route operating 54, 519 flights per year along with Brisbane and Sydney being the eighth busiest in world flying 33, 765 flights per year. Australia is geographically located in a well placed to accommodate the increase passenger numbers mainly from Asia which is the largest growing region according to Boeing and IATA. Tourism is a major source of revenue for Australia because of its unique landscapes and socio-political stability. Travelling has become much easier with technology allowing travellers to use them to connect with the digital world and book airfares, find hotels and directions etc. In Australia a significant portion of travel has been recognized by millennials who are focused on making their own personal experiences and retired travellers who desire short getaways.

In the year 2017 alone, International Scheduled Passenger Traffic in 2017 was 39. 6 million compared to 37. 6million in 2016 – an increase of 5. 3%. Passengers who travel to Australia in the year 2015-16 represented 7. 4% of Australia’s GDP. Education is Australia’s third largest export enabling students to receive quality education training. Revised figures from the Australian Bureau of Statistics demonstrated a record high of $23. 6 billion in annual education exports in 2016-2017 up 19%. Despite having a global growth within the aviation sector, the aviation industry continues to show a labor supply which will not be able to meet the global pilot shortage in the near term. Boeing has revised an upwards market forecast for aircraft deliveries over the next 20 years amidst the growing passenger demand and retirement of older aircraft. Boeing has projected the commercial industry will required 635, 000 pilots by 2037.

There has been an emerging growth for pilots within the freight sector. Airfreight is particularly important for same-day and overnight transport for time critical or perishable goods such as seafood, medical supplies and newspapers, banking and express post. It has allowed retailers and consumers to change the way of purchasing goods whilst being in the comfort of your own home.

Whilst only accounting for 0. 1% of Australia’s freight it makes up for nearly 21% of Australia’s freight value given the nature of the goods making it a profitable strategy for airlines. The graph above demonstrates a positive trend in particularly in exports freight which doubled within the past 14 years and is expected to increase a further 120% by 2030. This will likely lead to more aircrafts configured for freight purposes and more jobs for pilots.

## Workforce Age profile

Across the board of aviation, workers between 25 and 40 are of lower proportion compared other industries. To become a commercial pilot, students are required to attain licenses, medicals and a growing demand for tertiary education becoming a requirement. Because of this it may require pilots enter the workforce in their mid-20’s compared to other industries. 53% of Aviation workers hold vocational education degree as their highest level of education compared to 29% of the overall Australian working population. Majority of the pilots are close to the industry average at 45 years of age. It has been recorded that a bulk of the growth in airlines is coming from pilots at the age of 45 years and over between 2006 and 2011. This may be because of the little movement within the industry during that time however with the workforce ageing, it has become a widespread issue for airlines. Furthermore, airlines have had no choice but to upgrade senior pilots to fulfill the demand after receiving newer aircraft and spending more money on training. A continuation of this is likely to lead to more significant challenges for business particularly regarding the succession and planning of workforce upskilling. Issues have also been raised as to senior pilots adapting to new technology may struggle in newer flight decks. Surveys conducted demonstrated that current gender distribution is unlikely to change in the near future and schools should encourage more female participation across all aspects of the industry. Women represent about 20% of the overall aviation workforce in Australia which is quite lower than 45% average share seen in other industries.

## Compliance and regulation

One of the current challenges faced in the aviation community mainly in regional Australia was the implementations for new regulations set the Civil Aviation Safety Authority (CASA) which is the government body that regulates licenses, register aircraft and oversee safety. The Implementation of part 61, 64, 141 AND 142 released in the manual of standards in 2014, challenged smaller general aviation operators and agricultural workers wondering how they will comply and meet the requirements set by regulators causing many to operators to shut down. However, in more recent years we have seen CASA aim to bridge the gap between regular public transport services such as Qantas and general aviation to comply with regulations through seminars and making training more accessible for rural areas.