



Cadet Pilot Programme

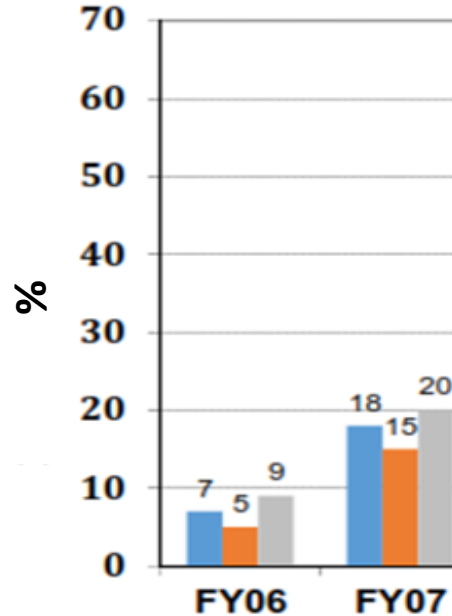
Who is Regional Express?

- ✈ Australia's largest Regional Airline
- ✈ Founded in 2002 after the collapse of Ansett (Merger of Kendell & Hazelton)
- ✈ Listed on the ASX in 2005
- ✈ 60 destinations throughout every state of Australia
- ✈ Fleet of 60 Saab 340 aircraft
- ✈ Approximately 1.3m passengers and 78,000 sectors a year

The map illustrates the Pet-Air FIFO Routes across Australia. Major cities and towns are marked with dots, and orange lines connect them, representing the flight network. The routes are concentrated in the southern and eastern parts of the country, with a significant hub in Adelaide. Other major hubs include Perth, Melbourne, Sydney, Brisbane, Cairns, and Townsville. The map also shows various smaller towns and islands, such as Carnarvon, Monkey Mia, Esperance, Albany, Port Lincoln, Port Augusta, Whyalla, Broken Hill, Mildura, Griffith, Bathurst, Dubbo, Orange, Parkes, Grafton, Yamba, Lismore, Ballina (Byron Bay), Newcastle, Murrumbidgee, Snowy Mountains (Cooma), Albury, Wodonga, Melbourne, King Island, Burnie, and many others. A legend at the bottom left indicates that the orange lines represent 'Pet-Air FIFO Routes'.

- ✈ 300 pilots
- ✈ Bases in 7 cities (Hubs) and 3 regional towns
- ✈ Operate from the largest centres to the most remote in the country

Pilot attrition and recruitment

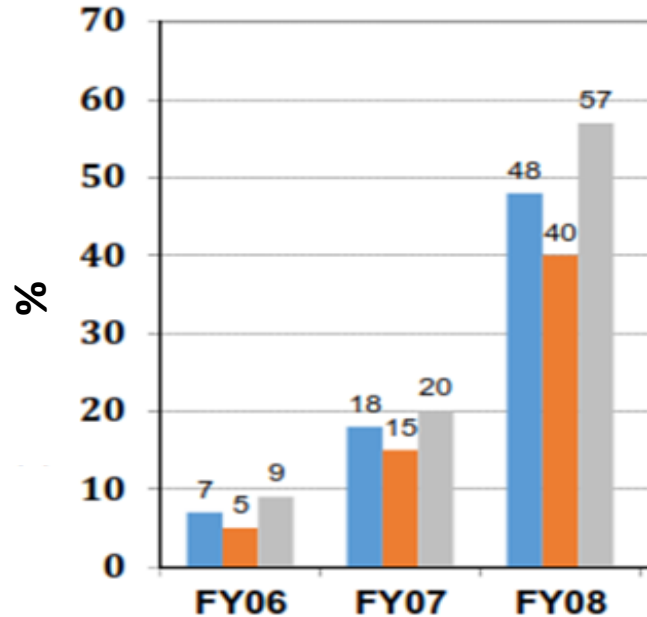


Pilot Resignation

- Pilot turnover traditionally between 10-15% per year.
- Easily manageable through recruitment of more than enough suitable and experienced pilots from general aviation and smaller operators.

However in 2007 that all changed!

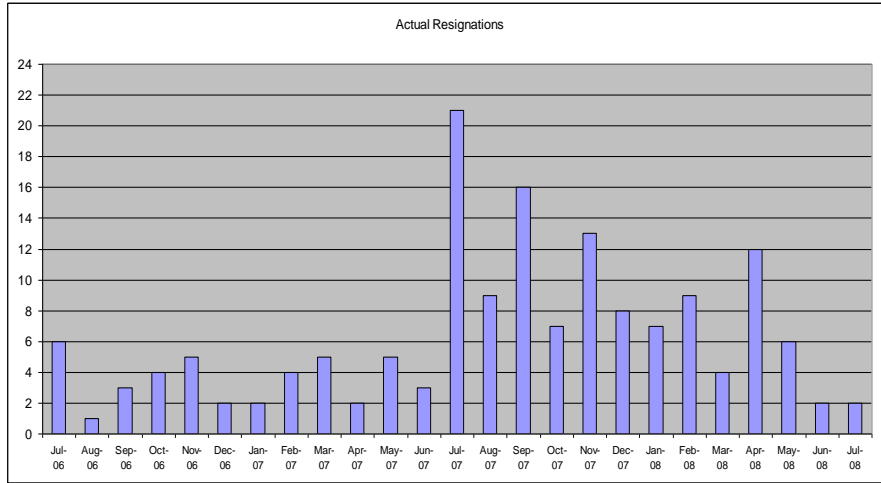
FY 07-08 (Annus Horribilis)



Pilot Resignation

- 50% pilot loss in just 12 months
- Carriers embarked on massive growth and recruited all the pilots they needed from Regional Airlines.
- Critical shortage of suitable replacements in General Aviation.
- Nationwide recruitment drive insufficient.
- OTP plummeted, cancellation rate increased and some routes were exited.

Necessity became the mother of invention



- Viability threatened and Board resolved to never be so exposed again.
 - Must 'future proof'.
 - Cadet pilot programme the answer.
 - Nothing new but no time to wait!
-
- Decision to also build our own Academy. Over \$20 million invested.
 - Wanted the best we could get not just those that could afford it.
 - Needed to build in return of service.

Rex Cadet Pilot Programme

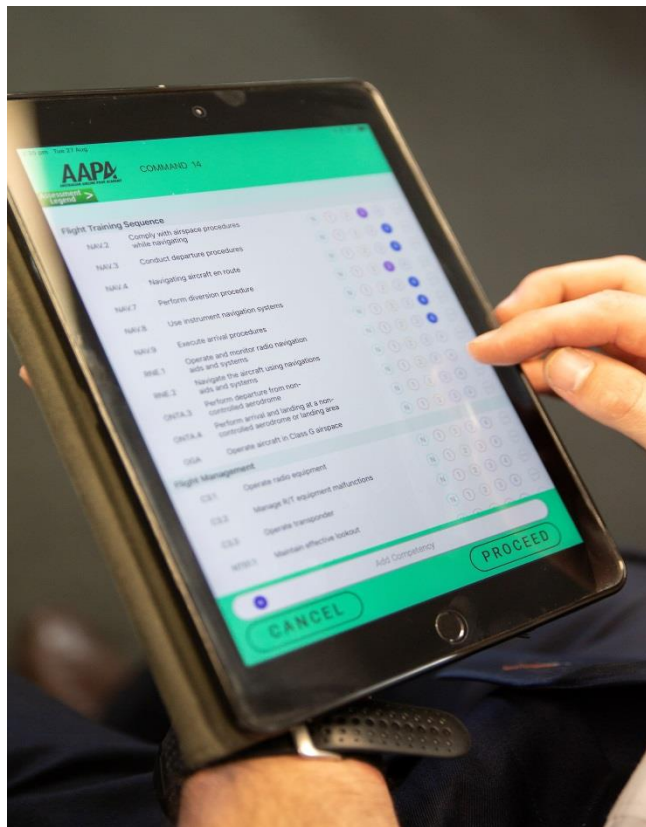
- Only 25% funded by the cadet (To PPL and PDR/Confirmation).
- Remainder through a loan from Rex.
- Loan paid over 7 years of employment.
- Interest rate halved and recalculated and a Retention and Performance Bonus paid (up to \$25,000) after 7 years employment.
- Guaranteed employment following completion.



Rex Cadet Pilot Programme

- Rigorous 5 stage selection process
- Immersive strict live in (on site) programme (they can do nothing else!)
- Majority of learning via CBT (efficiency) with coaching and tutorials
- Airline's philosophies and methodology from day 1
- *Flight Crew Operating Manuals* (FCOM's), developed for training aircraft.
- Student's training driven by a rosterer not instructors
- Emphasis on SMS, TEM, professionalism, discipline, attitude and responsibility
- Airline management visits/nights and jump seat famil flights
- CPL with Multi Engine Class Rating and Instrument Rating in 34 weeks

Cadet Performance and Scoring



2:31 pm Tue 27 Aug 77%

AAPA
AERIAL PILOT PROGRAM

PPL 10

Assessment Legend >

Professionalism

Grooming	N	1	2	3	4	...
Punctuality	N	1	2	3	4	...
Work Ethic	N	1	2	3	4	...
Attitude	N	1	2	3	4	...

Graded every lesson

Pre-flight Preparation

C2.1	Pre-flight actions and procedures	M	D	N	1	2	3	4	...
C2.2	Perform pre-flight inspection	M	D	N	1	2	3	4	...
C2.3	Post-flight actions and procedures	M	D	N	1	2	3	4	...
C4.1	Plan fuel requirements	M	D	N	1	2	3	4	...
NAV.1	Prepare documents and flight plan	M	D	N	1	2	3	4	...
ONTA.1	Non-towered aerodrome - pre-flight preparation	M	D	N	1	2	3	4	...

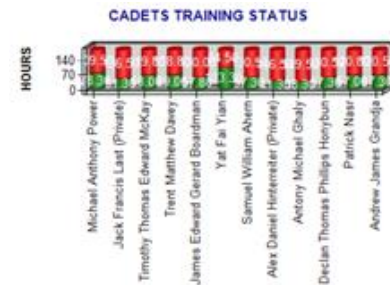
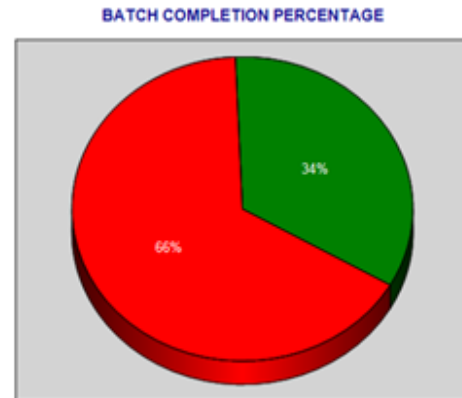
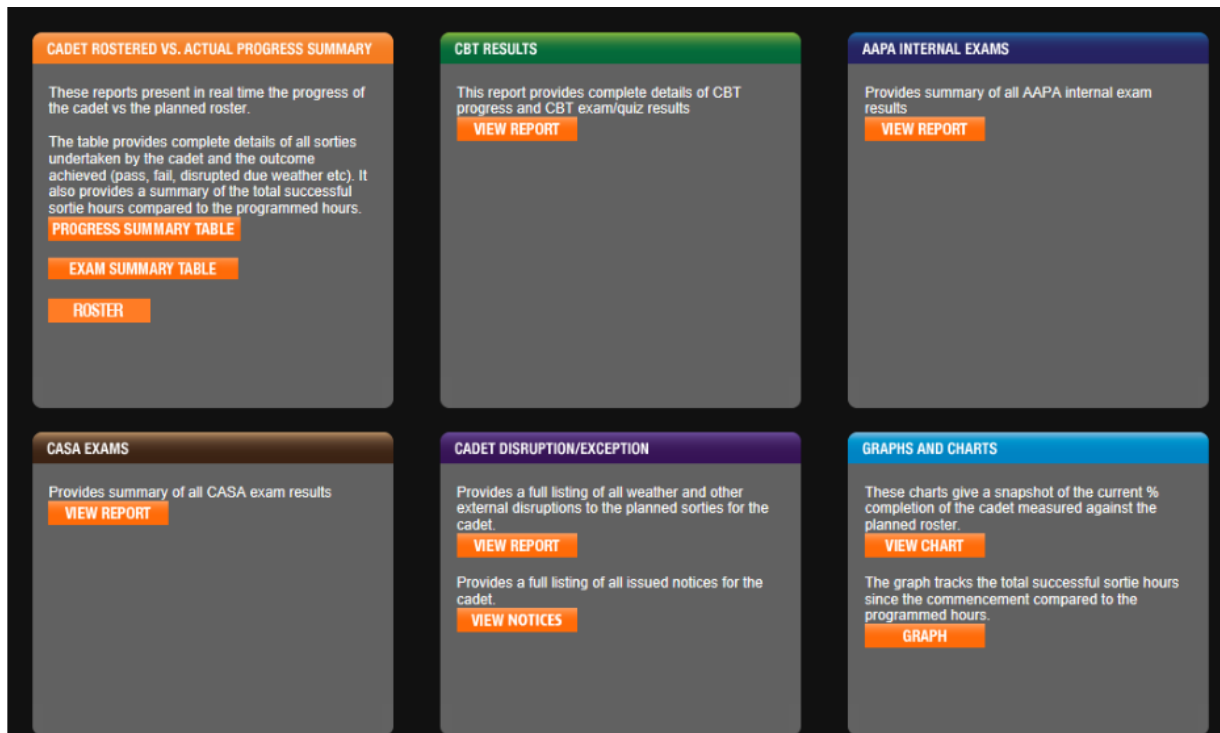
Ground Operations

A1.1	Start and stop engine	M	D	N	1	2	3	4	...
A1.2	Taxi aeroplane	M	D	N	1	2	3	4	...
A2.1	Carry out pre-take-off procedures	M	D	N	1	2	3	4	...
C4.3	Refuel Aircraft	M	D	N	1	2	3	4	...
C5.1	Manage passengers	M	D	N	1	2	3	4	...

CANCEL **PROCEED**

Close Tracking and Monitoring

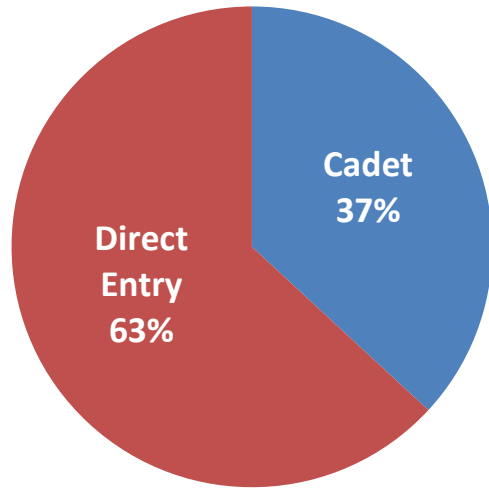
Rex closely monitors cadets performance and progress



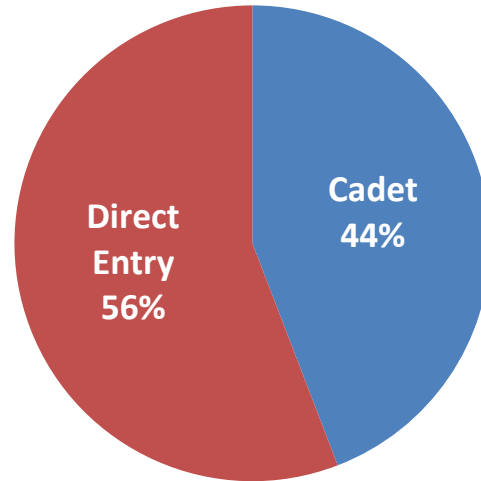
Current Pilot Mix

Graduated over 250 cadets and 23 courses (24 and 25 in training)

Captains



First Officers



Validation – has it worked?

All Rex pilot check performance is assessed and recorded within the Airline's *Data Analysis and Performance System (DAPS)*.

Performance is 'digitised' using a 1-5 scoring system (with reason coding).

1. Fail
2. Minimum Standard or Repeats Required
3. Satisfactory
4. Good
5. Excellent

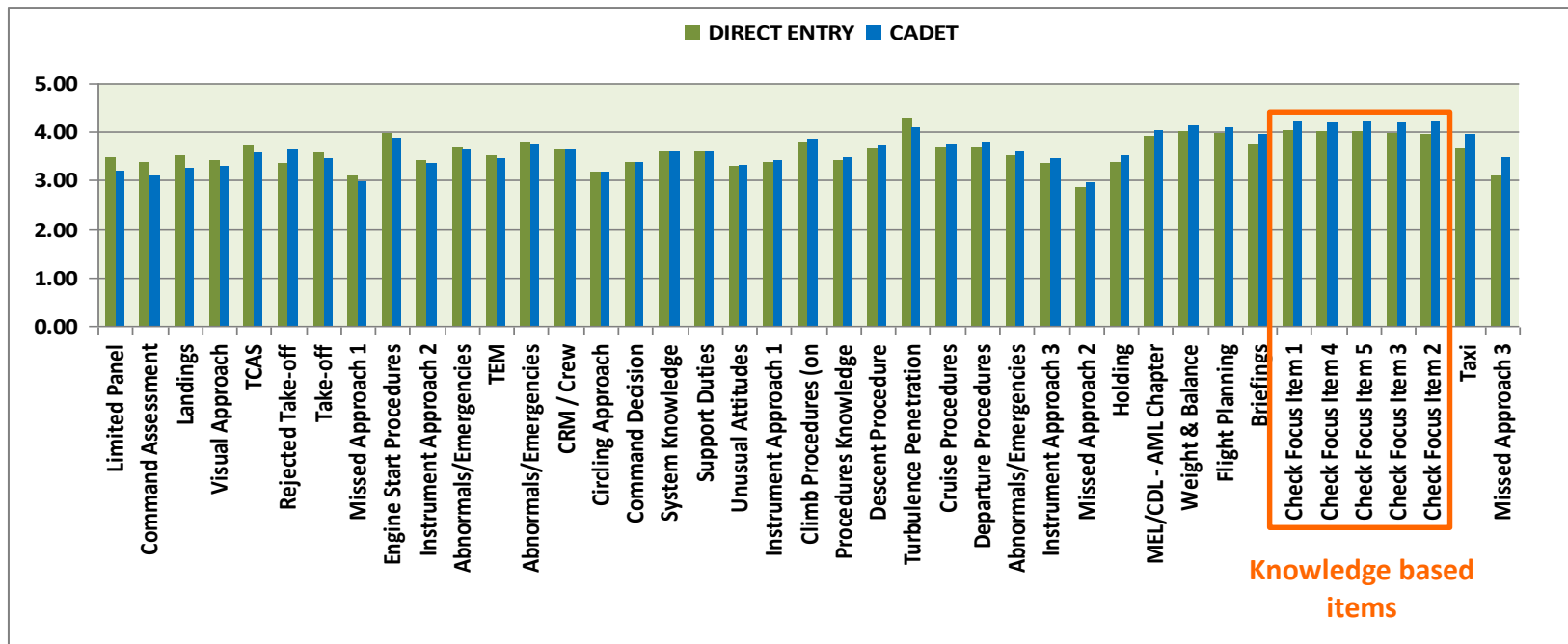


This data can then be analysed for a range of purposes including comparisons.

Validation

Direct Entry Pilots vs Cadet Pilots - Year 1

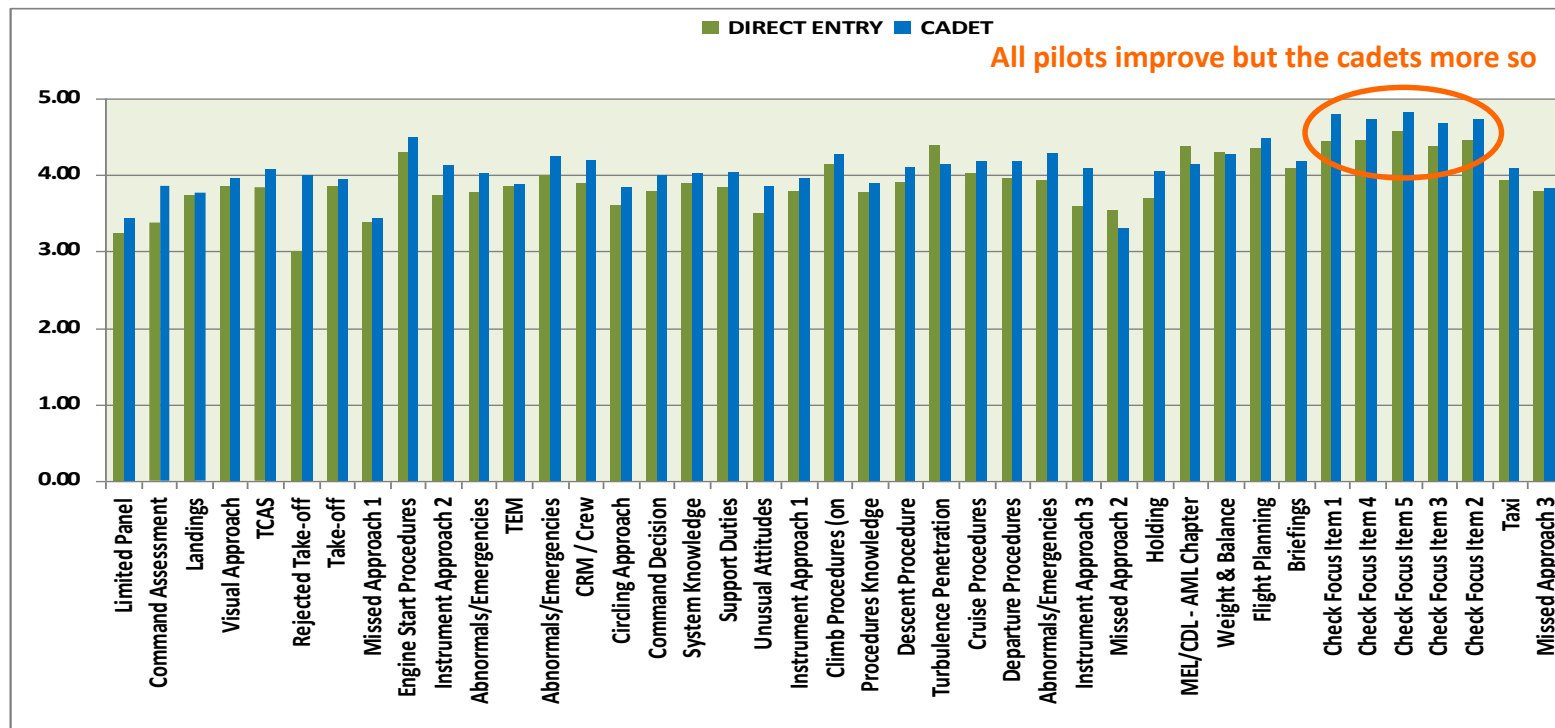
(Combined Simulator and Aircraft Check Results)



Validation

Direct Entry Pilots vs Cadet Pilots - Year 4

(Combined Simulator and Aircraft Check Results)

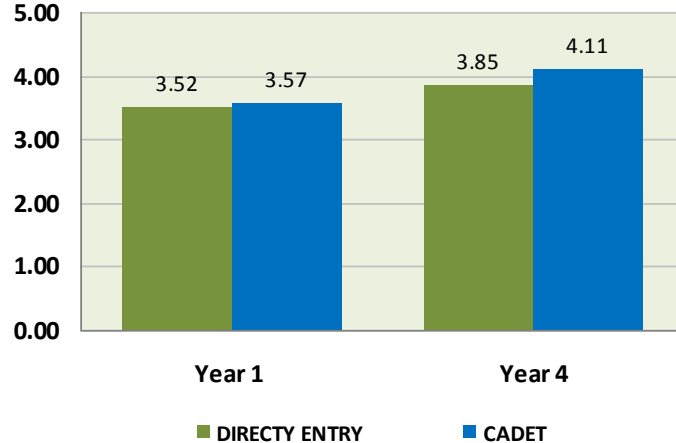


Validation

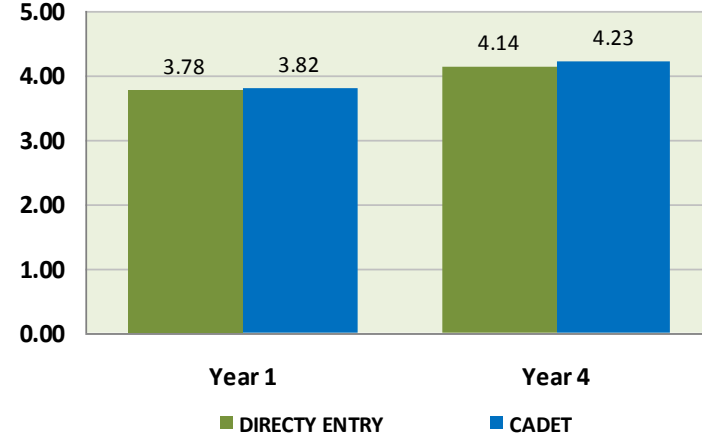
Cadets vs Direct Entry Pilots - Year 1 & 4

(Simulator & Aircraft Check Results)

Simulator Checks



Aircraft Checks



Cadet to Captain

Must continue their professional development and command ability to be eligible for command upgrade after approximately 4 - 5 years.

Pilot in Command Under Supervision (PICUS) Program



- Formal application and approval (3 levels) - subject to an ongoing review process (inc data)
- Required to complete a **Professional Development Course**
- Required to complete a **series of written Assignments that are assessed and returned;**
 1. 1000 word review of *'Darker Shades of Blue'*
 2. *Risk rate own errors over a series of weeks and list personal changes*
 3. *Review the Colgan accident with reference to Technical and Non Technical Issues*
 4. *Identify deficiencies in their own operation and develop and execute an action plan*
 5. *Write an instructional paper (1500 words) or power point presentation on one of 5 nominated topics.*
 6. *Conduct a LOSA on own flight and must include recommendations for improvement.*

What is an 'experienced' pilot?

- Total hours?
- No. of operators?
- No. of aircraft they have flown?
- No. of mistakes they have made?
- No. of emergencies they have experienced and managed?
- Age/Maturity?
- Life experiences?
- Confidence in their ability and good decision making?
- Professional development?
- Technical knowledge?
- Commitment to Policies and Procedures?

Identify what you are missing and mitigate and develop it

Play to your strengths

- Cadet pilots do not have 'experience' so manage it!
- Cadet pilots do have great potential so **capitalise on it!**
- In general, young, intelligent, highly motivated, fast learners and studious.
- Enormous potential for study and learning and in some cases to a greater extent than a senior pilot (as we found).

In other words, what they lack in 'experience' they can make up for in ability to "learn and follow" things!

So provide it to them!

Where does it start and finish?

- Should not start and stop with the ab-initio flying school.
- A mistake was to simply take a cadet pilot and inserted them into the existing operation.
- Many felt the cadet program was not a great success. ...Is it any wonder?
- All operators policies and procedures on any given day, are the result of years of development and continual improvement within their particular operating environment but also with their particular workforce!
- *Do we have clear policy on that?*

Conclusions

- Must be very well screened and chosen.
- Closely monitored.
- Airline philosophies from day 1 - not just good technical competencies. We know where they are going so ask why cant we do?
- Must fully capitalise on the cadets potential and time.
- Airline must review its own policies and procedures and must continue the cadet's development.
- They can be a great asset if well understood and managed.
- **Every day, they get more 'experienced'!**

Thank you

