Submission 007
Date received: 25/03/2011

25 March 2011

Ms Julia Morris
Committee Secretary
House of Representatives Standing Committee
on Infrastructure and Communications
PO Box 6021
Parliament House
CANBERRA ACT 2600

Dear Ms ~~Morris~~ Julia

Re: Inquiry into the Ratio of Cabin Crew Members on Aircraft

I refer to your letter of 8 March 2011 to Virgin Blue Group CEO Mr John Borghetti inviting submissions in relation to the above Inquiry. Mr Borghetti has asked me to respond on his behalf.

The Virgin Blue Group (VBG), which comprises Virgin Blue, V Australia, Pacific Blue and Polynesian Blue, has an uncompromising commitment to the safety of both guests and team members. We review and invest in our systems, standards, training and people on an ongoing basis, to ensure that our overall approach to safety continuously improves and is aligned with world's best practice. While the global aviation industry is subject to relentless and rapid change to which airlines must respond, safety is our overarching priority. Our approach is underpinned by established and measurable safety standards and strong engagement with the Civil Aviation Safety Authority (CASA).

Given Australia's vast land mass and its position as a geographically isolated continent, air transport is vitally important in connecting our population centres with each other, as well as the rest of the world. In doing so, air transport facilitates business activity and is a key enabler of the growth of tourism and trade. As noted in the Government's Aviation White Paper, the strength and future development of Australia's economy is tied to the existence of a vibrant and sustainable aviation industry. In this regard, it is fundamentally important that confidence in the safety of air transport is maintained.

Cabin crew occupy a significant role in ensuring the safety of passengers on Regular Public Transport air services, contributing to Australia's strong aviation safety record. In addition to the performance of routine safety procedures, cabin crew members are equipped with the skills and capabilities to respond to a wide range of emergency situations which could threaten passengers' safety and/or the security of the flight.

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We note that in February 2010 CASA issued a Notice of Proposed Rule Making (NPRM) on Cabin Crew Ratios, which proposes an amendment to Civil Aviation Order (CAO) 20.16.3 to permit aircraft operators to assign cabin crew according to a ratio of one cabin crew member to a maximum of 50 passenger seats (or part thereof) for aircraft fitted with between 36 and 216 seats (1:50 cabin crew to passenger seat ratio). This represents an increase in the legislated cabin crew to passenger ratio, which is currently one cabin crew member to 36 passengers (1:36 cabin crew to passenger ratio). The VBG is an active stakeholder in the industry working group that was established to develop the NPRM.

Consistent with our focus on safety, the VBG is pleased that the House of Representatives Standing Committee on Infrastructure and Communications (the Committee) is conducting an Inquiry into the ratios of cabin crew members on aircraft. This will ensure that all the perspectives of interested stakeholders are carefully considered and assessed before any decision is made to modify the existing legislative requirements regarding this important matter.

Overview of VBG fleet and cabin crew ratios

The VBG currently employs more than 2,400 cabin crew (excluding cabin crew on leave and secondment) to support regional, domestic and international services. Our fleet comprises a mix of aircraft as outlined in the table below.

Manufacturer	Model	Number of aircraft in VBG fleet	Number of seats on each aircraft
Boeing	B737-700	18	144
Boeing	B737-800	45	180
Boeing	B777-300ER	5	361
Embraer	E170*	6	78
Embraer	E190	16	104

*Embraer E170 aircraft will be phased out of the fleet during 2011.

VBG's fleet will grow in the future as we implement our new business model encompassing an enhanced product offering and an expanded network – internationally, domestically and regionally. While our international network expansion plans are presently focussed on offering code share services as part of our strategic alliances with Etihad Airways, Air New Zealand and Delta Air Lines (subject to regulatory approval), our domestic fleet will grow in coming years with deliveries of a number of additional wide-bodied and narrow-bodied aircraft, including Boeing 737-800 (B737-800) aircraft.

In accordance with CAO 20.16.3 (6)(b) and other relevant legislative requirements, VBG's B737-700, Embraer 170 and Embraer 190 services are operated with a 1:36 cabin crew to passenger ratio. CAO 20.16.3 states that aircraft that carry more than 36 but not more than 216 passengers shall carry at least one cabin attendant for each unit of 36 passengers or

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part thereof. Although CAO 20.16.3 (6)(b) applies to B737-800 aircraft, CASA has granted Virgin Blue permission to operate services on this aircraft with a 1:50 cabin crew to passenger seat ratio under an instrument made under regulation 208 of the *Civil Aviation Regulations 1988* (exemption instrument). This followed an application from Virgin Blue to CASA in which the risk implications of such an exemption were specifically considered and assessed, including the demonstration of emergency procedures in a partial evacuation.

Our Boeing 777 services are operated in accordance with CAO 20.16.3 (6)(c), which provides that aircraft carrying more than 216 passengers shall carry the number of cabin attendants as prescribed by CASA, which shall not be less than one cabin attendant for each floor level exit in any cabin with two aisles.

Inquiry's terms of reference

Our comments regarding each of the Inquiry's five terms of reference are set out below.

The current aviation safety regulatory system for aircraft operators in relation to the application of the cabin crew to passenger ratio, including current exemption provisions

The fundamental regulatory and safety framework for aircraft engaged in the transportation of passengers is established by the process that is followed to obtain a Type Certificate for a specific aircraft. In the case of aircraft manufactured by Boeing, Type Certificates are issued by the United States' Federal Aviation Administration (FAA). This process of certification is critical in terms of establishing the baseline safety-related data pertaining to a particular aircraft design in order to provide the travelling public with an underlying assurance of the safety of aircraft operations. As an aircraft manufacturer, Boeing is required to meet all legislated safety standards relating to the proposed type of operation for the specific aircraft design before a Type Certificate can be issued.

The application of this process and subsequent Australian-specific safety regulatory matters are outlined below using the B737-800 as an example, given that CASA's NPRM would modify the cabin crew ratio for services operated with this aircraft.

Type certification (United States)

The B737-800 aircraft was designed to meet all airworthiness standards prescribed by the FAA for Transport Category aircraft. The applicable airworthiness standards for this type of aircraft are outlined in *Federal Aviation Regulation* (FAR) 25 which requires proof of compliance from a manufacturer for all sections applicable to a particular design under section 25.21[1].

[1] *Federal Aviation Regulation* 25 - Airworthiness Standards: Transport Category Airplanes

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One of the most important requirements of FAR 25 is contained in section 25.803, which obligates a manufacturer to demonstrate the ability of the aircraft design to adequately support an emergency evacuation[2]. The emergency evacuation demonstration ensures that passengers occupying the maximum seating capacity of the aircraft can be evacuated under simulated emergency conditions within 90 seconds. This demonstration must be conducted using the number of cabin crew as determined by the operating rules for the category of aircraft for which certification is sought[3]. For the B737-800 certification, it was calculated that four cabin crew were required to be included in the evacuation for a Transport Category aircraft operating in accordance with FAR 121[4].

The specific criteria and guidelines describing the circumstances and conditions under which the emergency evacuation demonstration is to be performed are found in Appendix J of FAR 25[5]. These requirements take into account not only environmental constraints, but also a reduction in the available exit options due to simulated fire or damage.

In accordance with FAR 21.21[6], new aircraft meeting the applicable airworthiness standards as those required by FAR 25 are issued with a Type Certificate. In the case of the B737-800, the -800 model was considered a design modification to the existing Boeing 737 aircraft type and accordingly, upon certification on 13 March 1998, this model was added to the existing Boeing 737 Type Certificate[7]. It is important to note that the B737-800 aircraft met all the FAR 25 requirements that are applicable to new aircraft types prior to being added to the Boeing 737 Type Certificate.

Type Acceptance Certificate (Australia)

An aircraft must be issued with an Australian type certificate before it can be registered and operated under an Australian Air Operator's Certificate (AOC). CASA does not prescribe any additional certification procedures for aircraft manufactured outside Australia, such as the B737-800. Alternative certification is facilitated by CASA employing automatic acceptance procedures to recognise the type certificate issued by the national aviation authority in the country of manufacture as stipulated in CASA Advisory Circular AC 21-30(2)[8]. These procedures are applied in compliance with section 21.029A of the *Civil Aviation Safety Regulations 1988*[9],

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[2] *Federal Aviation Regulation* 25.803 - Emergency evacuation
[3] *Federal Aviation Regulation* 25.803 - Emergency evacuation
[4] *Federal Aviation Regulation* 121.391(4) - Flight Attendants
[5] *Federal Aviation Regulation* 25 Appendix J - Emergency evacuation
[6] *Federal Aviation Regulation* 21 - Certification procedures for products and parts
[7] FAA Type Certificate No. A16WE
[8] Civil Aviation Safety Authority AC 21-30(2) - *Type acceptance certificates for imported aircraft*
[9] *Civil Aviation Safety Regulations 1998* s 21.029A - Type acceptance certificate for imported aircraft certificated by national aviation authority of recognised country

which require CASA to issue an unconditional Type Acceptance Certificate for an aircraft manufactured in a foreign country once all applicable aircraft data has been provided. On 5 November 2001, CASA revised the existing Type Acceptance Certificate[10] for the Boeing 737 aircraft to include the B737-800 on the basis of receipt and review of the FAA Type Certificate and data as previously issued.

The design of the B737-800 represented an increase in passenger capacity and an increase in the number and type of emergency exits installed on this aircraft type. CAO 20.11 (15.1)[11] requires an aircraft operator to demonstrate the safety procedures that support an emergency evacuation prior to the introduction into service of a new aircraft type or the same type with an increase in passenger capacity greater than five percent. This recognises that there is a distinction between the aircraft certification criterion and an aircraft operator's safety procedures, which may or may not enhance safety outcomes in the event of an emergency evacuation. CASA must be satisfied that the evacuation procedures and training introduced by the operator will enable cabin crew members to achieve an evacuation capability equivalent to that achieved when the aircraft type satisfied FAR 25.803 (or equivalent). For Virgin Blue, CASA specified that only a partial emergency evacuation was required, in that Virgin Blue needed only to demonstrate those procedures relating to cabin crew proficiency in the operation of each type of normal and emergency exit as required by CAO 20.11 Appendix IV[12].

This demonstration was successfully conducted on 13 November 2001 using four cabin crew members. As required by CAO 20.11 (15.1.3)[13], CASA was satisfied that the cabin crew procedures employed in the demonstration would allow for the aircraft to be evacuated in 90 seconds, as required by the FAA in the initial type certification process. The procedures used by the cabin crew during this demonstration are contained in the VBG's Operations Manuals[14] and are reinforced during the cyclic CASA approved training program based on these procedures. As a result of this process, Virgin Blue's first B737-800 was added to Virgin Blue's AOC and it entered revenue service.

CAO 20.16.3

Initially, Virgin Blue was required to operate its B737-800 services carrying more than 144 passengers with a complement of five cabin crew due to the 1:36 cabin crew to passenger ratio specified under CAO 20.16.3 (6)(b). This legislative requirement has been unchanged since 1960, despite the fact that significant improvements in passenger safety have been made in the last 50 years through

[10] Civil Aviation Safety Authority Type Acceptance Certificate A108
[11] *Civil Aviation Order* 20.11 (15.1) - Demonstration of emergency evacuation procedures
[12] *Civil Aviation Order* 20.11 Appendix IV - Crew member emergency procedures proficiency test
[13] *Civil Aviation Order* 20.11 (15.1) - Demonstration of emergency evacuation procedures
[14] Operations Manual *Vol B3: Crew - Safety Equipment and Procedures;* Operations Manual *Vol A4: Cabin Crew Procedures*

advances in aircraft design, reliability, continuing airworthiness, crashworthiness, crew member training, passenger capability, evacuation performance and survivability[15]. We also note that this requirement diverges from the requirements in most International Civil Aviation Organization (ICAO) contracting states, including North America and many countries in Europe, which adopt the 1:50 cabin crew to passenger seat ratio based on the aircraft manufacturer's certificated evacuation capability.

Virgin Blue's exemption instrument

In 2006, Virgin Blue requested an exemption from CAO 20.16.3 (6)(b) from CASA, based on the reasoning that the design and certification of the B737-800 aircraft, and the data used to support these processes, required only four cabin crew or a 1:50 cabin crew to passenger seat ratio.

In support of this request, Virgin Blue submitted a safety case to CASA, which included information on the FAA's type certification process, CASA's type acceptance certification process, together with an outline of how Virgin Blue's procedures regarding cabin service and emergency operations were based on having cabin crew located at the four primary stations on the aircraft.

A comparison of Virgin Blue and Pacific Blue safety standards for initial and recurrent cabin crew safety training requirements, as well as standard operating procedures, was also conducted. Pacific Blue is a wholly-owned subsidiary of the VBG which operates short-haul international flights to/from a number of points in the South West Pacific (including New Zealand) with aircraft registered on a New Zealand AOC. The comparison revealed only minor differences between the procedures of the airlines, notwithstanding that Pacific Blue's B737-800 services were operated with four cabin crew in accordance with rule 121.519 (2) of the New Zealand *Civil Aviation Rules 2010* which specifies that aircraft shall be operated with the number of cabin crew as specified by the design criteria of the aircraft (which is four cabin crew as per the type certification of both the FAA and the New Zealand Civil Aviation Authority).

In addition, the safety case highlighted that the crew member emergency procedure proficiency test contained in CAO 20.11 involves the assessment of a cabin crew member's ability to operate a range of emergency equipment on an individual, one-on-one basis. As the procedures in this test are not specific to a particular aircraft type and they are unrelated to a specified total crew member complement, a reduction in the number of cabin crew required for B737-800 operations from five to four would not affect the safety outcomes that are achieved through compliance with CAO 20.11. The course associated with this proficiency test, as approved by CASA,

[15] Notice of Proposed Rule Making 09050S, CASA

is currently incorporated in the VBG Operations Manual *Vol D3: Training – Cabin Crew.*

An internal risk assessment was conducted to support this request, which examined the safety, security and occupational health and safety impacts for operations utilising a cabin crew complement of four. This risk assessment was conducted using a framework based on the Australian Standard AS4360:2004 for Risk Management and undertaken by specialists from Cabin Safety, Risk, Compliance, Security and Occupational Health and Safety. All procedures relating to crew and passenger safety, security, passenger handling and crew resource management were reviewed to ensure that no operational consideration was overlooked. The risk assessment concluded that operating B737-800 services with four cabin crew members would not adversely affect the safety of any service authorised under Virgin Blue's AOC and a level of safety at least equivalent to operations conducted in compliance with CAO 20.16.3 (6)(b) would be achieved. It was also confirmed that Virgin Blue would continue to fulfil the duty of care and diligence required of air operators under section 28BE of the *Civil Aviation Act 1988.* These conclusions rest on the fact that Virgin Blue's cabin crew procedures align with and support the aircraft's certification criteria.

To substantiate these conclusions, CASA required Virgin Blue to perform a partial emergency evacuation demonstration. This was successfully performed to confirm that evacuation procedures adopted by Virgin Blue supported the request to operate with the certification criterion of four cabin crew members.

Virgin Blue was granted an initial exemption instrument in October 2006, exempting compliance with CAO 20.16.3 (6)(b) for B737-800 services. This instrument was renewed in June 2009 and reissued in October 2009, following a request to include charter operations. The current instrument is due to expire in June 2011 and contains the following conditions:

1. Only physically competent (able-bodied) persons may occupy seats in the overwing emergency exit rows;

2. During the aircraft take-off, landing operation and in prepared emergencies, each overwing exit row must be occupied by a minimum of two able-bodied persons;

3. All passengers seated in the overwing emergency exit rows must receive and respond to a briefing which instructs them in the opening of overwing emergency exits and subsequent actions required in the event of an emergency;

4. The operator must ensure that the aircraft can be evacuated in 90 seconds; and

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5. Arrangements for the seating and briefing of passengers must be in accordance with the procedures set out in the operator's operations manual and approved by CASA.

Virgin Blue's Operations Manuals[16] incorporate procedures to ensure that each of the five conditions of the exemption instrument is met. Conditions 2 and 3 above are safety requirements that are unique to Australia and represent what the VBG considers to be international best practice in aircraft safety procedures.

Virgin Blue actively monitors compliance with these conditions by conducting quality oversight audits. As a result of these audits and other feedback and suggestions received, overwing briefings have been enhanced over time and information technology initiatives have been implemented to reduce the likelihood of a flight being closed without the allocation of the required number of passengers to the exit rows.

Consistent with the VBG's focus on safety, a line operations audit of current Virgin Blue cabin crew safety procedures will be completed in April 2011. We are also preparing another safety case to support the renewal of our current exemption instrument, based on the draft Civil Aviation Advisory Publication – Cabin Crew Ratios (draft CAAP).

The role of cabin crew in managing passenger safety as well as security

Cabin crew on VBG services occupy a central role in safeguarding both passenger safety and security. As stated above, airlines must have cabin crew onboard all services in accordance with the provisions of CAO 20.16.3 and any applicable legislative instrument. The duties of cabin crew prior to boarding and during boarding, take-off/landing and flight are summarised below.

Prior to passenger boarding

A cabin crew member's responsibility for safety and security commences 60 minutes before a flight departs, with a crew briefing led by the Cabin Supervisor which includes Safety and Emergency Procedures and aviation first aid questions. Pre-flight duties prior to passenger boarding include safety equipment checks to ensure equipment (fire extinguishers, oxygen, etc) is serviceable and correctly located, as well as security checks of the cabin, galley and lavatories to ensure no prohibited items are onboard.

[16] Operations Manual *Vol B3: Crew - Safety Equipment and Procedures;* Operations Manual *Vol A5.3 Airport Guest Services Procedures Manual;* Operations Manual *Vol A4: Cabin Crew Procedures Manual*

Passenger boarding

During passenger boarding, cabin crew profile passengers for intoxication, disruptive behaviour, medical clearance or independent travel issues, while also identifying any able-bodied passengers that could be called upon to assist in a mid-flight emergency situation. Prior to take-off, cabin crew secure the cabin and galley and conduct briefings for special service request passengers such as parents with infants, disabled guests and unaccompanied minors. The overwing exit briefings are provided to passengers occupying overwing seats and the general safety demonstration is given to all passengers.

Take-off and landing

During take-off and landing, cabin crew ensure the cabin and galley remain secure and passengers remain seated. Cabin crew must also remain mentally prepared to manage an emergency evacuation or precautionary disembarkation.

Mid-flight

During the flight, cabin crew remain prepared to respond to emergency situations such as oven fires, disruptive passengers, medical incidents, bomb threats, depressurisations or operational/mechanical issues advised by the flight crew which may require preparation for an emergency landing.

All cabin crew are provided with the appropriate ongoing training to support their important role. Initial VBG cabin crew training consists of a five and half week training course. Four weeks of this training is dedicated to safety and emergency procedures training, which includes security training, crew resource management (non-technical skills) and aviation medicine. Following completion of the initial training course, new cabin crew will then complete two supernumerary sectors as an additional crew member.

Further information on specific aspects of a cabin crew member's role in managing passenger safety and security is provided below.

Passenger safety

Although the pilot-in-command has overall responsibility for aircraft safety, he/she has an expectation that cabin crew will carry out critical safety procedures for which they have been trained, as and when required. The training that cabin crew members are required to undertake before being assigned to emergency duties on an aircraft is found in CAO 20.11. A number of situations in which cabin crew are required to exercise safety procedures are outlined below.

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- **Aircraft evacuation:** initiating and controlling passenger evacuations during emergency situations.

- **Ditching (landing on water):** using emergency equipment and following procedures for survival after an aircraft has landed on water.

- **Decompression:** following personal survival procedures and assisting passengers with survival procedures after cabin pressure is lost. This requires emergency announcements to passengers over the public announcements system and knowledge of cabin emergency systems (such as supplemental oxygen) and follow up first aid procedures with portable oxygen bottles.

- **Fire-fighting:** undertaking the role of a fire-fighter or acting in support during cabin fires, utilising knowledge of cabin fire-fighting equipment and procedures.

- **Passenger management:** ensuring that all applicable regulatory obligations are being complied with. Compliance is achieved through carrying out routine duties, such as safety demonstrations, passenger briefings, passenger profiling, seat-belt checks and securely stowing carry-on baggage, and non-routine duties in serious incidents involving the use of restraint devices to subdue intoxicated and/or violent passengers. Cabin crew also have a responsibility to monitor anti-social behaviour of groups and individuals to ensure that such behaviour does not lead to a safety issue.

- **Extraordinary situations:** cabin crew are expected to act calmly, with common sense and initiative, in extraordinary situations such as decompressions, emergency landings and the discovery of suspicious objects onboard.

To supplement the safety procedures above, all cabin crew also receive training in first aid techniques, resuscitation techniques, emergency childbirth procedures and the use of defibrillator machines. Care of the ill or injured is one of the most important roles that a cabin crew member is required to fulfil.

Passenger security

The security training and procedures documented in Virgin Blue's Operations Manuals[17] ensure cabin crew members have an understanding of the VBG's security

[17] Operations Manual *Vol B3: Crew - Safety Equipment and Procedures;* Operations Manual *Vol D3 Training - Cabin Crew Manual;* Operations Manual *Vol A4: Cabin Crew Procedures Manual*

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policies. These have been developed in accordance with the *Aviation Transport Security Regulations 2005* in order to protect passengers and crew from threats to security and safety, including those arising in the event of unlawful interference with the operation of the aircraft. Cabin crew are also required to conduct pre-flight security checks of the aircraft, passenger profiling during boarding and safeguard the integrity of the flight deck during the flight.

Initial and recurrent security training incorporates both theoretical information and a practical component regarding defensive tactics. Cabin crew also receive training in how to respond to security situations such as attempted and actual hijacking, bomb threats, discovery of suspicious substances and objects, as well as managing disorderly passengers.

The factors that determine the cabin crew to passenger ratio

As outlined above, the minimum cabin crew to passenger ratio for Australian registered aircraft is established by CAO 20.16.3, although a number of airlines have been granted exemption instruments by CASA in respect of particular aircraft types, including Qantas Airways, Jetstar Airways and Tiger Airways.

As mentioned above, Virgin Blue's current exemption instrument authorises the operation of B737-800 aircraft with a reduced cabin crew complement of four, or a 1:50 cabin crew to passenger seat ratio. The only time a fifth crew member must be rostered on these services for safety reasons is when a cabin crew member is required to be assigned supernumerary sectors following the completion of the Initial Intake Training program, a Conversion/Differences Training program or a Refresher Training program in accordance with Virgin Blue's Operations Manual *Volume D3: Training – Cabin Crew* manual. Supernumerary sectors are allocated for the sole purpose of familiarisation with the aircraft type or variant to which a cabin crew member has been assigned to operate. These sectors afford a cabin crew member the opportunity to observe standard operating procedures and he/she shall not accept any positional duty onboard that aircraft unless directed by the pilot-in-command.

It is important to note that Virgin Blue may choose to operate any B737-800 services with one or more cabin crew in excess of the legislated minimum passenger to crew ratio based on commercial considerations regarding the level of in-flight service, and has done this for charter services. As part of the VBG's transition to encompass a premium product offering, our B737-800 aircraft will be reconfigured to include a business class cabin, with a high-quality food and beverage service. Against this background, it is possible that selected services on B737-800 aircraft may be operated with a cabin crew complement above the legislated minimum crew to passenger ratio, particularly on shorter sectors.

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International practice in respect of cabin crew to passenger ratios

Information regarding international practice in respect of cabin crew to passenger ratios is provided in the NPRM and the draft CAAP. As noted above, the 1:50 cabin crew to passenger seat ratio is adopted in most ICAO contracting states, based on the emergency systems and training that support the number of cabin crew members used by the aircraft manufacturer in an emergency evacuation process during the aircraft's type certification process. Although Transport Canada requires a ratio of one cabin crew member to 40 passengers onboard, a number of exemptions have been issued in this jurisdiction which authorise services with a 1:50 cabin crew to passenger seat ratio.

The NPRM proposes to harmonise Australian aviation safety regulations with those of leading ICAO contracting states by basing the minimum required number of cabin crew on the same number used by aircraft manufacturers in aircraft design and the subsequent type certification process. As stated in the draft CAAP, CASA's standard-setting process is guided by a principle that, where appropriate, CASA will align its regulations with the standards and practices of leading aviation countries, unless differences are required to address the Australian aviation environment and these differences can be justified on safety grounds. In addition to this harmonisation, the NPRM also aligns with CASA's policy to establish aviation safety standards that achieve the efficient allocation of industry and CASA resources.

As aviation is a global industry, international practice with respect to cabin crew ratios is relevant to the competitiveness of the Australian industry. Although safety is, and will remain, the VBG's primary consideration with respect to cabin crew ratios, there is a significant cost implication associated with a requirement to operate B737-800 services with a 1:36 cabin crew to passenger ratio. While Virgin Blue operates under its current exemption instrument, cabin crew ratios will be a neutral factor in our competitiveness vis-à-vis carriers of other countries in which the 1:50 cabin crew to passenger seat ratio is the accepted standard for narrow-bodied aircraft e.g. Singapore and New Zealand. Given the highly competitive context in which we operate, and the thin margins that characterise the industry, it would be quite difficult for the VBG to absorb the additional costs of a return to a 1:36 cabin crew to passenger ratio, particularly given that the B737-800 aircraft represents the largest proportion of our fleet.

In combination with the pressures of increasing prices of other key inputs to aviation, additional cabin crew labour costs have the potential to impact the economic viability of the Australian industry. These outcomes could in turn have a bearing on decisions by some operators in the Australian industry relating to the relative use of subsidiary airlines and/or crews based in jurisdictions that permit airlines to operate narrow-bodied services with a 1:50 cabin crew to passenger seat ratio.

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Measures to enhance aviation safety that may be considered in future requirements on aircraft operators for a safety risk management plan covering the cabin crew to passenger ratio

The VBG has reviewed the requirements for safety risk management plans as provided in the draft CAAP. As mentioned above, a safety case for the 1:50 cabin crew to passenger seat ratio procedures, based on the draft CAAP, will be prepared by May 2011.

We note that the draft CAAP includes a recommendation regarding the design and validation of procedures for increased passenger capability at emergency exits, providing an increased level of safety assurance in an evacuation. These consist of procedures for the following:

- designation of emergency exit rows;
- pre-qualification of passengers (fit and able to undertake emergency tasks);
- self-help exit rows to be occupied by a minimum number of passengers;
- delivery of exit row safety briefings; and
- passenger acknowledgment of safety responsibilities associated with occupying an emergency exit row.

These procedures serve to promote a heightened awareness in passengers of the obligation that they have for their own safety. They are included in the conditions attached to Virgin Blue's exemption instrument and have been performed by our cabin crew since 2007. We consider that these procedures represent measures that enhance aviation safety.

The VBG will continue to monitor and manage safety outcomes by adopting additional procedures that go beyond the regulations, by seeking more innovative ways to manage safety risks. These additional procedures would then be incorporated into our safety risk management plan regarding the cabin crew to passenger ratio.

Recommendations

The VBG recommends that the merits of CASA's proposed NPRM are acknowledged and the NPRM made final. We recognise that a change to the minimum number of cabin crew required on particular aircraft represents a significant change to the operating environment. However, Virgin Blue and a number of other Australian carriers have already successfully adapted to such an operating environment, having safely conducted B737-800 operations with four cabin crew members for a number of years under exemption instruments. As outlined above, such instruments were only granted by CASA following scrutiny of a safety case and a demonstration of emergency evacuation procedures. Accordingly, the NPRM would not adversely affect the levels of safety provided on VBG services and will simply

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obviate the need for new exemptions and renewal of exemptions. In fact, the NPRM would enhance safety for passengers and crew with its new requirement for aircraft operators to submit a safety risk management plan which includes the identification, treatment and monitoring of the risks associated with operating services with a 1:50 cabin crew to passenger seat ratio. It would also align Australia's aviation safety regulations with those of major ICAO contracting states, which accept the aircraft manufacturer's type certification process as establishing the minimum cabin crew to passenger ratios.

The VBG believes that this will ensure that Australia's excellent safety record is maintained in the future, based on the existence of a system of robust aviation safety regulations which align with international safety standards. At the same time, the removal of an outdated impediment will facilitate further growth in the aviation industry, by providing for an efficient allocation of resources. This will serve to strengthen Australia's economy, for which safe, efficient and competitive air services are essential.

We would be pleased to provide further information on any of the matters outlined above if it would be of assistance to the Committee, and to appear before the Committee should any public hearings be conducted as part of this Inquiry.

Yours sincerely

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Group Executive
Government Relations

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