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CANADA

SUPPORTING CANADA'S FLIGHT SCHOOLS

**Report of the Standing Committee on Transport,
Infrastructure and Communities**

Honourable Judy A. Sgro, Chair

**APRIL 2019
42nd PARLIAMENT, 1st SESSION**

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**Hon. Judy A. Sgro
Chair**

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NOTICE TO READER

Reports from committee presented to the House of Commons

Presenting a report to the House is the way a committee makes public its findings and recommendations on a particular topic. Substantive reports on a subject-matter study usually contain a synopsis of the testimony heard, the recommendations made by the committee, as well as the reasons for those recommendations.

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THE STANDING COMMITTEE ON TRANSPORT, INFRASTRUCTURE AND COMMUNITIES

has the honour to present its

TWENTY-NINTH REPORT

Pursuant to the Order of Reference of Wednesday, November 28, 2018, the Committee has studied M-177, challenges facing flight schools in Canada and has agreed to report the following:

TABLE OF CONTENTS

SUMMARY.....	1
LIST OF RECOMMENDATIONS	3
SUPPORTING CANADA’S FLIGHT SCHOOLS.....	7
Introduction.....	7
Flight Training in Canada	8
Key Challenges in Providing Pilots to Industry.....	9
Shortage of Flight Instructors.....	10
Underrepresented Groups	13
Service to Northern and Remote communities	16
Updating Educational Models.....	18
Embracing New Technologies	19
Government Regulations and Taxation	20
Supporting Flight Schools	21
Supporting Students.....	24
International Student Retention.....	27
Safety and Public Health	28
In Conclusion.....	29
APPENDIX A LIST OF WITNESSES	31
APPENDIX B LIST OF BRIEFS.....	35
REQUEST FOR GOVERNMENT RESPONSE	37
SUPPLEMENTARY OPINION OF THE CONSERVATIVE PARTY OF CANADA	39
SUPPLEMENTARY OPINION OF THE NEW DEMOCRATIC PARTY OF CANADA	43

SUMMARY

Air passenger traffic worldwide is increasing and the demand for qualified pilots is outpacing current training capacity. Canada and the world are facing a pilot shortage that affects not only commercial aviation, but also the military, as well as remote communities that rely on air transport for food, medicine and other goods. To examine this ongoing issue, the Standing Committee on Transport, Infrastructure and Communities studied the challenges facing flight training schools in Canada.

Testimony from stakeholders representing various aspects of the aviation industry gave committee members a better understanding of the major issues facing Canadian flight schools. The committee also identified policies that would address these challenges to support and encourage the growth of Canada's flight training industry.

Witnesses identified a shortage of flight instructors, the underrepresentation of women and Indigenous people among Canadian pilots, and insufficient support for remote and Northern air operators as key issues facing flight schools. The committee recommends incentives to promote flight instruction as a career path, outreach programs targeted to underrepresented groups as well as sector-specific initiatives to support remote and Northern operations.

This study also revealed barriers to the use of new technologies in flight training, as well as several regulatory and taxation challenges facing Canada's flight schools. The committee recommends supporting the development of new technologies, as well as regulatory modernization to allow their appropriate use in flight training.

Financial considerations are a significant barrier to both potential students and flight schools. The committee recommends increased support to flight schools to assist with high capital costs, as well as increased funding through the Airport Capital Assistance Program. The committee also recommends several changes to existing financial assistance programs to ensure eligibility for flight training programs for employment purposes.

Witnesses also raised the issue of retaining international flight students, as well as concerns regarding safety and working conditions for new pilots. The committee recommends a simplified immigration process for foreign pilots, particularly those who have graduated from Canadian flight schools. The committee also recommends a review of regulatory oversight regarding aviation operations that are heavily dependent on recently graduated pilots to ensure the safety of these pilots and their passengers.

LIST OF RECOMMENDATIONS

As a result of their deliberations committees may make recommendations which they include in their reports for the consideration of the House of Commons or the Government. Recommendations related to this study are listed below.

Recommendation 1

That the Government of Canada—in co-operation with relevant stakeholders, including but not limited to airlines, the general aviation community, flight school operators, provincial, municipal and territorial governments and Indigenous communities—develop policies to support and encourage the growth of Canada’s flight training industry. 10

Recommendation 2

That the Government of Canada, in co-operation with provincial, municipal and territorial authorities, encourage flight instruction as a career path and consider implementing incentives such as tax credits for experienced pilots and loan forgiveness programs for newly graduated pilots. As well, that the Student Work Placement program be expanded to include flight instructor training. 13

Recommendation 3

That the Government of Canada, in co-operation with provincial, municipal and territorial authorities, support outreach activities to encourage underrepresented groups such as veterans, women and Indigenous people to consider careers in the aviation industry, building on projects such as Economic Security for Women through Aviation..... 16

Recommendation 4

That the Government of Canada increase support to flight schools in remote and Northern communities through targeted outreach programs, economic incentives to assist new and existing schools with capital costs, sector-specific training guidelines for Northern flight operations and loan forgiveness programs for new pilots serving with Northern operators..... 17

Recommendation 5

That the Government of Canada take steps to modernize the current hours-based flight instruction regime and encourage the use of Competency-Based Training methods as the primary reference for training completion. 19

Recommendation 6

That the Government of Canada support the development of new technologies in flight training, such as flight training devices, electric aircraft and alternative biofuels. 20

Recommendation 7

That the Government of Canada modernize current flight training regulations to allow, when appropriate, the use of new technologies in flight training. 20

Recommendation 8

That the Government of Canada work with provincial, municipal and territorial authorities to craft, where safe and appropriate, exemptions to the requirement for third party training of flight instructors. 21

Recommendation 9

That the Government of Canada, in co-operation with provincial, municipal and territorial authorities, provide increased support to Canada’s flight schools and establish economic incentives to assist with the high capital costs associated with the establishment, operation and expansion of flight schools. Furthermore, that the Government of Canada increase the level of funding available through the Airport Capital Assistance Program, to reflect the recommendations of the 2015 *Canada Transportation Act* Review Panel. 24

Recommendation 10

That the Government of Canada consider introducing 100-per-cent bonus depreciation for certain capital assets for flight schools to allow the write off of equipment purchases such as flight simulators and training aircraft. 24

Recommendation 11

That the Government of Canada, in cooperation with provincial and territorial authorities, take the following steps to support flight students:

- A. amend the terms of the Canada Student Loans Program to include in-air instruction time as instructional time for the purpose of loan eligibility;**
- B. extend the Student Work Placement program to flight training for employment purposes;**
- C. extend the Veterans’ Affairs Canada Education and Training Benefit to flight training for employment purposes; and**
- D. establish financial assistance programs or amend existing programs to assist professional students with the high cost of flight instruction through expanded eligibility criteria which recognize the integral role of Private Pilot’s Licence training in training commercial pilots. 26**

Recommendation 12

That the Government of Canada establish a clear framework to simplify and encourage immigration by foreign pilots, particularly international graduates of Canadian flight schools. 28

Recommendation 13

That the Government of Canada review current levels of regulatory oversight in the aviation industry, particularly in regard to operations that are heavily dependent on recently graduated pilots. 29



SUPPORTING CANADA'S FLIGHT SCHOOLS

INTRODUCTION

According to [Statistics Canada](#), air passenger traffic at Canadian airports increased by 20% between 2013 and 2017. Many aviation industry observers anticipate that air traffic worldwide will continue to increase over the coming years and, as demand for air travel increases, so too will the demand for qualified pilots. Industry projections cited by Ottawa Aviation Services¹ suggest the need for 620,000 pilots worldwide by 2036, of which 80% have yet to be trained. For comparison, according to an [Airline Pilot Demand Outlook](#) published by CAE, there were approximately 290,000 active airline pilots worldwide in 2017.²

According to a [Labour Market Information Report](#) published in March 2018 by the Canadian Council for Aviation & Aerospace (CCAA),³ fewer than 1,200 new commercial pilot licences are issued each year in Canada. Furthermore, a large proportion of Canadian licences (nearly half in 2015) are issued to international students and only 70% of new pilots choose to remain in the aviation industry. As such, fewer than 500 new pilots become available to the Canadian aviation industry each year.

Given the rising demand for pilots, the CCAA projects that Canada will face a shortage of nearly 3,000 pilots by 2025. What is more, this number does not take into account Transport Canada's [new regulations on flight crew fatigue management](#), which were announced on 12 December 2018. These are expected to increase the number of pilots needed, due to stricter time limits on flight and duty time.⁴

A pilot shortage presents significant risks to the large number of remote communities in the country, particularly in Northern Canada, that rely on air transportation for supplying

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- 1 Standing Committee on Transport, Infrastructure and Communities [TRAN], *Evidence*, 1st Session, 42nd Parliament, [Ottawa Aviation Services](#) (brief).
 - 2 This Outlook was cited in TRAN, *Evidence*: [Joseph Armstrong](#) (Vice-President and General Manager, CAE) and [Ottawa Aviation Services](#) (brief).
 - 3 This report was cited in TRAN, *Evidence*: [Daniel-Robert Gooch](#) (President, Canadian Airports Council); and [Suzanne Kearns](#), Associate Professor, University of Waterloo, Geography and Aviation, as an individual (brief).
 - 4 The anticipated effect of the new regulations was addressed in Canadian Council for Aviation & Aerospace, [Labour Market Information Report](#), March 2018 (CCAA), p. 7; it was also reported to the Committee by [Glenn Priestley](#) (Executive Director, Northern Air Transport Association (NATA)) on 4 December 2018, although due to a technical difficulty, this testimony was not recorded.



food, medicine and other goods. In a 2017 Report on [Civil Aviation Infrastructure in the North](#), the Auditor General of Canada identified 117 remote Northern communities in which the only reliable year-round mode of transportation was by air.

The pilot shortage is not limited to civil aviation. The Auditor General also found, as stated in a Fall 2018 [report](#), that the Royal Canadian Air Force had only been able to replace 30 of the 40 trained fighter pilots that left the force between April 2016 and March 2018.

It is in this context that the House of Commons passed the following motion on [28 November 2018](#):

That the Standing Committee on Transport, Infrastructure and Communities be instructed to undertake a study of flight training schools in Canada and be mandated to (i) identify the challenges that flight schools are facing in providing trained pilots to industry, (ii) determine whether the infrastructure available to flight schools meets the needs of the schools and the communities where they are located; and that the Committee present its final report no later than seven months after the adoption of this motion.

Between 29 November 2018 and 19 February 2019, the Standing Committee on Transport, Infrastructure and Communities (the Committee) held eight meetings on this subject. It heard from 26 witnesses and received 13 briefs.

FLIGHT TRAINING IN CANADA

Much of Canada's flight training infrastructure was developed during the Second World War, under the [British Commonwealth Air Training Plan](#). Signed into agreement in December 1939 and continuing until 31 March 1945, the plan saw the establishment of 151 schools across the country and resulted in the training of over 130,000 aircrew from Great Britain, Australia, New Zealand and Canada. More than 100 aerodromes and emergency landing fields were built over five years, with existing infrastructure receiving significant upgrades and modernization; many are still in service.

Today, Canadian flight training units are regulated by Transport Canada, under the provisions of the [Aeronautics Act](#) and the [Canadian Aviation Regulations](#) (CARs). The CARs outline the requirements for flight training schools, including criteria for instructors, aircraft registration and maintenance as well as flight training operations such as route planning and reporting.

Flight training units themselves can take various forms. Some are affiliated with a provincially accredited college or university and offer training as a component of a post-

secondary degree or diploma. Others offer integrated training programs in co-operation with an airline to provide potential pilots with a more direct path to the flight deck of a commercial airliner, and to provide airlines with more direct access to new pilots.

As of 5 April 2019, [Transport Canada](#) recorded 360 flight training units in the country. Any of these may offer a range of courses or programs, such as aerobatics, various integrated courses, multi-engine ratings, private pilot licences, recreational pilot licences, and several others. Of these 360 flight training units, 175 offer training for commercial pilot licencing, and 139 offer instructor rating programs.

One possible path to becoming a professional pilot in Canada is by completing an integrated Commercial Pilot Licence—Aeroplane/Instrument Rating (CPL (A)/IR) course through a certified flight school. The typical duration of these courses is 18 months. According to the [Air Transport Association of Canada](#) (ATAC) and [Ottawa Aviation Services](#), the average cost for such a program is between \$75,000 and \$90,000.

A pilot must then obtain an Airline Transport Pilot Licence to gain employment as a captain with a regional or national airline. In accordance with [section 421.34 of the CARs](#), this involves 1,500 hours of flight time experience and three written exams. Many pilots gain this experience through employment as flight instructors and must therefore complete additional training to obtain an instructor rating, resulting in additional tuition fees. The [ATAC](#) puts the typical cost of flight instructor training at about \$10,000.

KEY CHALLENGES IN PROVIDING PILOTS TO INDUSTRY

“This problem in Canada is not going to solve itself.... An appropriate training pipeline needs to be developed for the recruitment and selection of students to maximize success for the investment made that promotes and increases women, Indigenous and minority representation, that provides financing options including government assistance, that enables a critical mass of resources and infrastructure that provides up-to-date training and solid flight safety practices, that is in direct alignment with the airline and global business requirements.”

[Richard Foster](#), Vice-President, L3 Technologies



Witnesses who appeared before the Committee each provided their own views as to the most important challenges facing flight schools today. Although there were some differences of opinion in terms of potential solutions, all agreed that Canada is facing a pilot shortage and that action must be taken to strengthen the capacity of flight schools to provide higher numbers of qualified pilots to the aviation industry.

Some witnesses proposed the development of a national strategy to address the issue. [Michael Rocha](#), Owner of Central North Airways and Senior Executive of Central North Flying Club, stressed the importance of including general aviation in such a strategy and avoiding an exclusively airline-focused approach. [Richard Foster](#), Vice-President of L3 Technologies, told the Committee that such a national strategy must be long-term and that major airlines, the global aviation business community and government should all be involved in its development.

Recommendation 1

That the Government of Canada—in co-operation with relevant stakeholders, including but not limited to airlines, the general aviation community, flight school operators, provincial, municipal and territorial governments and Indigenous communities—develop policies to support and encourage the growth of Canada’s flight training industry.

The following sections will outline the key challenges, as described by witnesses, that Canadian flight schools currently face in providing pilots to industry, as well as proposed solutions to address the pilot shortage.

Shortage of Flight Instructors

“The inability to train sufficient pilots is exacerbated when flight instructors are offered jobs at scheduled carriers after only a few months of instructing. Experienced instructors are already a scarce resource, making it difficult to train and supervise new instructors. Flight schools across the country report backlogs of students wishing to begin flight training but are unable due to the shortage of instructors.”

[Ottawa Aviation Services](#) (brief), p. 8.

According to many witnesses, one of the main issues in addressing Canada's pilot shortage is ensuring an adequate supply of qualified flight instructors.⁵ The current shortage has driven airlines to hire new pilots before they have the opportunity to serve a significant amount of time as instructors. This has resulted in a lack of experienced instructors, creating a cycle which further exacerbates the challenges facing flight schools to train new pilots. As stated by [Marc Vanderaegen](#), Flight School Director of Southern Interior Flight Centre, Carson Air, "[t]he lower availability of instructors equals fewer instructors who advance through the instructor class system in order to become supervising instructors or to be able to train new instructors."

This challenge is being compounded by the need for pilot examiners, who are responsible for administering flight tests on behalf of Transport Canada. Examiners for private or commercial licences must hold a class 1 or class 2 instructor rating, with at least 1,000 hours of flight instruction experience.⁶ According to [Mike Doiron](#), Aviation Safety Officer, EVAS Air Charters with Gander Flight Training Aerospace, there is a significant delay in examiner training by Transport Canada. A process which, according to him, take "approximately two to three days of focused activity to complete," currently takes six to twelve months.

Flight instructor examiners are also required to have experience as airline pilots,⁷ which limits the available pool of examiners who can accredit instructors. According to [Caroline Farly](#), Chief Pilot and Flight Instructor for Aéro Loisirs, a two-month advance notice is needed to schedule a flight instructor examination with Transport Canada. Furthermore, Transport Canada does not provide a definitive date when such an examination is scheduled, and the two-month timeframe will reset if a postponement is needed.

The Committee heard several suggestions from witnesses to address the flight instructor shortage. The most commonly agreed upon was a system of loan forgiveness⁸ for pilots

5 TRAN, *Evidence*: [Caroline Farly](#) (Chief Pilot and Chief Instructor, Aéro Loisirs); [Martin Hivon](#) (President and Chief Flight Instructor, Aviation MH); [Cedric Paillard](#) (President and Chief Executive Office, Ottawa Aviation Services (OAS)); and [Priestley](#) (NATA).

6 TRAN, *Evidence*: [Mike Doiron](#) (Aviation Safety Officer, EVAS Air Charters, Gander Flight Training Aerospace).

7 Transport Canada, [Pilot Examiner Manual](#), Sixth Edition, March 2017, section 3.7(g).

8 Loan forgiveness, as in the case of the [Canada Student Loan forgiveness for family doctors and nurses](#) program, offers to reduce or eliminate the government-held portion of a student loan, provided that a recent graduate serves in a particular field or area for a specified amount of time.



who serve a specified period of time as flight instructors.⁹ [Robin Hadfield](#), a Director of The Ninety-Nines, Inc., International Organization of Women Pilots and Governor of the organization's East Canada Section, suggested forgiveness beginning at 40% of student loans after two years spent as an instructor. As several witnesses indicated, a similar system is already in place for medical professionals working in remote areas.¹⁰

However, [Judy Cameron](#), retired Air Canada Captain and current Director of Northern Lights Aero Foundation (appearing as an individual), warned that any system of loan forgiveness would need to avoid incentivizing pilots to misrepresent their own physical or mental health. Pilots are required to regularly pass medical certification to maintain their licence, and a failed certification can result in unemployment. A pilot who is depending on a forgiveness program to repay student debt may fail to divulge or address a physical or mental health condition, in order to maintain his or her medical certification until he or she has completed the service time required by the loan forgiveness program. [Ms. Cameron](#) proposed an insurance regime that would avoid a pilot having to pay back \$75,000 to \$100,000, should they become medically disabled.

“A lack of instructors will ultimately choke the pipeline that ensures a reliable supply of future pilots.”

[Judy Cameron](#), as an individual

A further challenge in encouraging pilots to serve as flight instructors is the industry's perception of this field as a low-paying, entry-level career option.¹¹ [Captain Dan Adamus](#), President of the Canada Board of Air Line Pilots Association International, told the Committee that Flight instruction “is considered an entry-level job. As such, there is little incentive to remain teaching any longer than necessary.”

[Cedric Paillard](#), President and Chief Executive Office of Ottawa Aviation Services, suggested that federal government support could encourage pilots to choose flight

9 TRAN, *Evidence*: [Judy Cameron](#) (Air Canada Captain (retired), Director, Northern Lights Aero Foundation, as an individual); [Professor Suzanne Kearns](#) (Associate Professor, University of Waterloo, Geography and Aviation, as an individual); [Ottawa Aviation Services](#) (brief); [Terri Super](#) (Chief Executive Office, Super T Aviation); and [Marc Vanderaegen](#) (Flight School Director, Southern Interior Flight Centre, Carson Air).

10 TRAN, *Evidence*: [Heather Bell](#) (Board Chair, British Columbia Aviation Council); [Robin Hadfield](#) (Director, International Board of Directors, Governor, East Canada Section, The Ninety-Nines, Inc., International Organization of Women Pilots); and [Terri Super](#) (Super T Aviation).

11 TRAN, *Evidence*: [Cameron](#) (as an individual); [Farly](#) (Chief Pilot and Flight Instructor, Aéro Loisirs); and [Hadfield](#) (The Ninety-Nines, Inc.).

instruction as a career path. This support could include regulatory changes to make it easier for airline pilots to work as part-time instructors. Several witnesses also indicated that flight instruction can be a particularly attractive career path for pilots who are looking for a better work-life balance, and the chance to stay at home each night.¹²

[Mr. Vanderaegen](#) proposed the extension of grants to instructor training, while [Ms. Hadfield](#) suggested tax-free income as an incentive for experienced pilots to work as instructors. [Captain Adamus](#) suggested that an industry-wide change is needed in terms of seniority rules, to allow seniority to be transferred from one employer to another. This could allow experienced pilots to serve as flight instructors while maintaining their previous level of pay. However, [Suzanne Kearns](#), Associate Professor of Geography and Aviation at the University of Waterloo, appearing as an individual, indicated that the issue of seniority is not industry-wide, as only airlines work on a seniority basis.

[Darren Buss](#), Vice-President of the Air Transport Association of Canada, advised the committee that his association has received positive feedback from both industry and government on a proposal to extend the [Student Work Placement program](#), to apply to students wishing to become flight instructors. [Mr. Buss](#) said that “this would increase the number of available flight instructors and therefore Canada’s capacity to train more pilots ... but it has not yet been implemented.”

Recommendation 2

That the Government of Canada, in co-operation with provincial, municipal and territorial authorities, encourage flight instruction as a career path and consider implementing incentives such as tax credits for experienced pilots and loan forgiveness programs for newly graduated pilots. As well, that the Student Work Placement program be expanded to include flight instructor training.

Underrepresented Groups

“One of the biggest challenges to flight schools is actually attracting women to walk in through their door.”

[Judy Cameron](#), as an individual

12 TRAN, *Evidence*: [Cameron](#) (as an individual); [Kearns](#) (as an individual); and [Early](#) (Aéro Loisirs).



“I strongly recommend to the committee that investment in our industry goes beyond aviation and not only increases indigenous participation to address the gap in solving the critical pilot shortage but is an investment in the economic and social livelihood of Indigenous communities across the country.”

Jo-Anne Tabobandung,
Chief Flight Instructor and Director of Aviation,
First Nations Technical Institute

According to Ms. Cameron, women represent no more than 5% of the world’s airline pilots. Among pilots in Canada, the CCAA’s Labour Market Information Report puts the ratio of women at 7%. As indicated by Kendra Kincade, Founder and Chair of Elevate Aviation, her organization has received funding from Status of Women Canada to undertake three-year project for the purpose of determining why women don’t look at aviation as a career for economic security. The results of the survey were still being compiled and no conclusions were available at the time of drafting this report.

Witnesses also pointed to Indigenous peoples being underrepresented as a group among Canada’s pilots, even as Indigenous youth constitute the fastest-growing demographic in the country.¹³ According to Jo-Anne Tabobandung, Chief Flight Instructor and Director of Aviation with the First Nations Technical Institute, the most effective way of addressing the pilot shortage in the North is to train more Indigenous pilots.

Mr. Paillard suggested that the underrepresentation of women and Indigenous people in the aviation industry is a self-sustaining cycle and, essentially, a marketing issue. According to him, the underrepresentation of these groups is itself the main deterrent to their entering the industry. Several witnesses echoed this point of view, by suggesting that increasing awareness and raising the profiles of successful role models, through various outreach and mentorship programs, is a critical strategy to increasing the diversity of Canadian pilots.¹⁴ When asked how the committee might best support these efforts, Ms. Kincade, replied that, in addition to increased funding, “[l]etting people

13 TRAN, *Evidence*: Bell (British Columbia Aviation Council); and Hadfield (The Ninety-Nines, Inc.).

14 TRAN, *Evidence*: Cameron (as an individual); Hadfield (The Ninety-Nines, Inc.); Kendra Kincade (Founder and Chair, Elevate Aviation); Priestley (NATA); and Jo-Anne Tabobandung (Chief Flight Instructor and Director of Aviation, First Nations Technical Institute).

know that we're all here, all of these organizations are here, would be a wonderful step...."

“Women in aviation need to be more visible, demonstrating their capability, credibility and passion for flying.”

[Judy Cameron](#), as an individual

“There aren't enough females. That's simple. Again, we can facilitate this by raising awareness in high schools, raising the profiles of successful females as role models, having material in packages for the guidance departments and teachers—including examples of female pilots who have successful careers—and having career days that have female professional pilots present at them.”

[Robin Hadfield](#),

Director, International Board of Directors,
Governor, East Canada Section, The Ninety-Nines, Inc.,
International Organization of Women Pilots

Several witnesses also encouraged the support of holistic and STEM¹⁵-connected education programs to promote interest in the aviation industry as a whole.¹⁶ As Professor Kearns indicates in her [brief](#), these types of programs help increase retention within the industry. As she explained, young professionals with a holistic training are more likely to move to a parallel profession within the same industry if they decide to alter their career path.

According to [Ms. Cameron](#) and [Professor Kearns](#), STEM-linked aviation programs should be available at the high school level, and even as early as elementary school. [Ms. Hadfield](#), however, argued that the focus should be on high school-aged children, as the parents of younger children risk discouraging potential future pilots with their own safety concerns.

15 Science, Technology, Engineering and Mathematics.

16 TRAN, *Evidence*: [Cameron](#) (as an individual); [Hadfield](#) (The Ninety-Nines, Inc.); [Kearns](#) (as an individual); and [Gary Ogden](#) (Chief Executive Officer, Go Green Aviation).



Many witnesses agreed that getting young people flying is the best way of promoting a career in the aviation industry. [Ms. Cameron](#) and [Captain Adamus](#) both spoke fondly of the practice of allowing children to visit the flight deck of an airliner as a means of fostering interest. While this practice is no longer possible due to enhanced security procedures put in place since the World Trade Centre attacks in 2001, both witnesses expressed an interest in pre-approved security screening processes to reinstate it to some extent.

Recommendation 3

That the Government of Canada, in co-operation with provincial, municipal and territorial authorities, support outreach activities to encourage underrepresented groups such as veterans, women and Indigenous people to consider careers in the aviation industry, building on projects such as Economic Security for Women through Aviation.

Service to Northern and Remote communities

“Northern operators have always faced unique challenges that are very different than what is experienced in southern Canadian aviation. The attraction, recruitment and retention of adequate flight crew including maintenance personnel has been an ongoing challenge.”

[Glenn Priestley](#), Executive Director, Northern Air Transport Association

The committee heard that the accelerated advancement process for newly graduated pilots is having a particularly significant impact in Northern and remote communities. In her brief, [Professor Kearns](#) points out that new pilots would previously have completed an “*hours building*” phase of their career, in which they would have worked at relatively low wages for two to five years, to build experience before moving on to airlines or corporate aviation. Northern and remote operators offered diverse opportunities for accumulating these hours, including flight instruction, medevac, firefighting and air survey work.

With a shrinking gap between graduation and employment within airline companies, fewer and fewer pilots are available for northern and remote operations. According to a [brief](#) presented by the Northern Air Transport Association, this will be felt even more strongly in the future as aging populations in remote communities will increase the need for transportation.

[Glenn Priestley](#), Executive Director of the Northern Air Transport Association, also stressed that flying in the North requires additional, specialized training to acclimatize to particular conditions such as the use of turbine engine aircraft, operations on short unpaved airstrips or the use of float or ski-equipped aircraft. The costs of this additional training are amortized over an expected retention period, which continues to shorten.

According to [Mr. Priestley](#), training standards that are sector-specific to Northern pilots are also needed. Current training, he explained, is often focused on southern conditions, and targeted to future airline pilots, which in his opinion not only does nothing to prepare students for flight in the North, but may also divert pilots who might otherwise have chosen a non-airline career path, such as flight instruction.¹⁷

[Professor Kearns](#) and [Ms. Cameron](#) recommended a loan forgiveness program for new pilots who served a specified period of time in the North. They also proposed a Northern-focused program of start-up loans and economic incentives for new flight schools, which would offer low-interest loans to help with the high capital cost of expansion. [Ms. Hadfield](#) also advocated for more flight schools in remote areas to increase the number of Indigenous pilots.

In his [brief](#) to the committee, Mr. William Baird, a member of a community adjacent to the Ottawa International Airport, recommended the establishment of federal guidelines to encourage the use of rural airports, as well as investment in these airports, as a means of reducing noise and the risk of collisions above densely populated areas.

Finally, in its [brief](#), the Northern Air Transportation Association recommended the establishment of a committee on Northern and Remote Aviation Infrastructure, Labour and Skills. This committee would consist of “air operators, airport operators, appropriate government agencies and affiliated organizations” and would be tasked with assessing aviation needs in northern and remote areas of Canada and developing a labour-skills strategy.

Recommendation 4

That the Government of Canada increase support to flight schools in remote and Northern communities through targeted outreach programs, economic incentives to assist new and existing schools with capital costs, sector-specific training guidelines for

17 TRAN, *Evidence*: [Gervais](#) (President and Chief Executive Officer, Canadian Owners and Pilots Association (COPA)).



Northern flight operations and loan forgiveness programs for new pilots serving with Northern operators.

Updating Educational Models

“[S]hifting the focus away from hours and towards actual competence allows for a variety of advantages: more efficient training and a smaller footprint, and training that’s much more targeted towards the actual skill set of the job.”

Suzanne Kearns,

Associate Professor, University of Waterloo,
Geography and Aviation, as an individual

The Committee heard many proposed changes to the training and educational models used by flight schools. The most commonly cited was a shift towards Competency-Based Training.¹⁸ The current training model required by the CARs is hours-based. This means that pilots must complete a set number of hours of ground school and flight time in order to complete each licencing step. As Professor Kearns explained, competency-based training uses profession-specific competency statements to determine whether or not a student is ready to move on to the next level.

As Mr. Paillard indicated, Competency-Based Training is successfully being used in Europe and by the military; airlines are also strong proponents of this shift. He indicated that, while there are “a few” flight schools in Canada that are using competency-based training as part of their program, they cannot do so in collaboration with Transport Canada as this approach is not currently compatible with Canada’s flight instruction regime.

Mr. Buss also spoke to the Committee about ATAC’s ongoing discussions with Transport Canada on the issue of Approved Training Organizations (ATOs). According to him, ATOs would allow certain pre-approved flight schools to implement alternate training programs, such as Competency-Based Training, without requiring a modification to the CARs. He explained that an ATO could present a syllabus for approval by Transport Canada, producing pilots more efficiently. These pilots, trained through an approved specialized syllabus, would be required to meet the same standards as their non-ATO

18 TRAN, *Evidence*: Armstrong (CAE); Daren Buss (Vice President, Air Transport Association of Canada (ATAC)); Hivon (Aviation MH); Kearns (as an individual) Paillard (OAS); and Priestley (NATA).

counterparts who would be trained in accordance with existing training requirements. [Mr. Buss](#) indicated that Transport Canada has expressed openness on this issue and has reportedly been working on such a framework for several years.¹⁹

Recommendation 5

That the Government of Canada take steps to modernize the current hours-based flight instruction regime and encourage the use of Competency-Based Training methods as the primary reference for training completion.

Embracing New Technologies

While autonomous flight navigation will not be a solution to the pilot shortage in the near future,²⁰ the committee heard of many ways in which new technologies can be used to reduce costs and increase efficiencies in flight training.

“Simulators are another game-changing technology that is in short supply at most flight schools due to the fact their cost is similar to a new aircraft.”

[Darren Buss](#), Vice-President, Air Transport Association of Canada

Flight training devices of various kinds, commonly referred to as simulators, can significantly increase the frequency of training availability in comparison to training on aircraft. Although the cost of more complex simulators can be comparable to that of a new aircraft, they are less expensive in terms of maintenance and operational costs, reduce noise and fuel emissions, and allow training even in inclement weather.²¹

For these reasons, several witnesses proposed modernizing the current CARs to reflect new technologies in flight training. As indicated by [Terri Super](#), Chief Executive Officer of Super T Aviation, current regulations limit the amount of instrument time that can be used in a simulator or flight training device to ten out of twenty-five hours for a

19 In fact, [Transport Canada](#) has established an ATO framework for aircraft maintenance training.

20 TRAN, *Evidence*: [Kearns](#) (as an individual).

21 TRAN, *Evidence*: [Buss](#) (ATAC); [Kearns](#) (as an individual); [Ogden](#) (GoGreen Aviation); and [Paillard](#) (OAS).



commercial pilot's licence. Witnesses suggested that allowing more simulator training to count as required instrument time would increase the efficiency of flight schools.²²

Similarly, [Mr. Paillard](#) told the committee that electric aircraft can reduce both fuel costs and noise around flight schools, particularly for take-off and landing exercises. Although [Ms. Super](#) pointed out that current electric aircraft cannot fulfil all the requirements of flight training, due to their limited charge, she did support the development of electric technology and alternative biofuels to reduce the carbon footprint and operational costs of flight training.

Recommendation 6

That the Government of Canada support the development of new technologies in flight training, such as flight training devices, electric aircraft and alternative biofuels.

Recommendation 7

That the Government of Canada modernize current flight training regulations to allow, when appropriate, the use of new technologies in flight training.

Government Regulations and Taxation

Several witnesses identified challenges related to specific regulatory schemes or taxation programs by the Government of Canada. One such challenge is the current requirement that regulated flight instructor training be done by a third party. That is, that a flight school may not train its own flight instructors.²³ As [Ms. Super](#) indicated: “[m]ost flight schools are the only training unit at an airport. To receive advanced training through this federal assistance program, these pilots would have to move to a new city and new airport to obtain training that could last anywhere from one to six months.” Witnesses indicated that an exemption under the Canada Job Grant would address this issue. The Canada Job Fund Agreements (which used to include the Canada Job Grant) have been consolidated under the [Workforce Development Agreements](#). While these are based upon shared core principles, each has been negotiated with a provincial or territorial government. Any changes to these principles would therefore require further negotiation with each province or territory.

22 TRAN, *Evidence*: [Bell](#) (British Columbia Aviation Council); [Buss](#) (ATAC); [Kearns](#) (as an individual); and [Paillard](#) (OAS).

23 TRAN, *Evidence*: [Ottawa Aviation Services](#) (brief); and [Terri Super](#) (Super T Aviation).

In reference to the federal carbon pricing plan, several witnesses indicated that any increase in operational costs at a flight school is necessarily passed on to the students.²⁴ As [Mr. Martin Hivon](#), President and Chief Flight Instructor of Aviation MH, indicated, “[b]asically I fully agree with what I’ve heard so far. Any additional costs will eventually be passed on to the customer. In the case of a flight school, the customer is the student pilot”. However, [Robert Lavigne](#), Vice-President of the Kingston Flying Club, indicated that the price on carbon would be “largely irrelevant to us”, and that any increased cost would be so low as to be effectively comparable to a rounding error.

Witnesses were not as equivocal in regards to the federal excise tax on aviation fuel, with Ottawa Aviation Services estimating, in its [brief](#), that its annual expenses in relation to this tax would reach nearly \$2 million by 2021. [Ms. Super](#) advocated for either a reduction of the federal tax, or an exemption for flight schools. [Mr. Paillard](#) expressed a similar opinion but also suggested that allowing training to be conducted on electric aircraft would help reduce operational costs, which could then lead to a reduction in tuition fees.

Recommendation 8

That the Government of Canada work with provincial, municipal and territorial authorities to craft, where safe and appropriate, exemptions to the requirement for third party training of flight instructors.

Supporting Flight Schools

“Although instructors at our school are relatively well paid because they receive a significant bonus, the fact remains that our operations impose a ceiling on us. The cost of maintenance and the purchase of aircraft parts and fuel are increasing while we face income variations. Pilot training is expensive, and we are trying to keep its cost at acceptable levels that make aviation accessible. Those costs fluctuate and increase, but the cost of service cannot follow suit.”

[Caroline Farly](#), Chief Pilot and Flight Instructor, Aéro Loisirs

24 TRAN, *Evidence*: [Michael Rocha](#) (Owner of Central North Airways and Senior Executive of Central North Flying Club); [Richard Foster](#) (Vice-President, L3 Technologies); and [Hivon](#) (Aviation MH).



Many witnesses expressed confidence in Canada's flight instruction infrastructure as a whole. Mr. Buss and Mr. Priestley, for example, indicated that there is a sufficient number of flight schools in Canada, simply a lack of instructors.²⁵ [Professor Kearns](#) similarly indicated that Canada has excellent infrastructure for flight training, with a high capacity, but an insufficient number of instructors.

Not all witnesses agreed, however. [Ms. Hadfield](#) told the committee that there were insufficient facilities in Canada for potential new flight students. [Bernard Gervais](#), President and Chief Executive Officer of the Canadian Owners and Pilots Association, agreed and pointed out that there is only one flight school located in Canada's Territories, and that many facilities across the country are aging. [Ms. Tabobandung](#) gave the example of 78-year-old runways being decommissioned, as the flight school does not have the resources to repair or replace them. She indicated that in the case of the First Nations Technical Institute's infrastructure, the need has moved beyond maintenance, and significant repairs are needed to ensure continued use.

[Mr. Rocha](#) and [Ms. Farly](#) spoke of the challenges of opening a new flight school and of entering what Mr. Rocha called "a highly regulated business." As previously indicated, [Ms. Hadfield](#) and [Ms. Farly](#) both proposed start-up loans and economic incentives to help new school get off the ground, particularly in Northern Canada. Low-interest loans could help with the high capital cost of expansion. [Captain Mike Hoff](#) of the Air Canada Pilots Association's External Affairs Committee, also suggested that incentives be made available for accredited public institutions to open their own flight schools, as they are generally able to offer easier access to simulators, as well as financial assistance programs.

Once a school is operational, it continues to face significant costs in terms of salaries, fuel and maintenance, to the point that, according to [Mr. Lavigne](#), most flight schools operate within a net variable margin of 3% to 7%. [He](#) also pointed out to the Committee that many of flight schools' operational costs, particularly in terms of fuel, equipment or subscriptions, are generated in U.S. dollars. According to [Ms. Cameron](#), high operating costs explain why tuition to become a pilot is so high and why instructor salaries remain low.

According to [Mr. Hivon](#), a further challenge to flight schools has been a reduction in services by NAV CANADA and Transport Canada. He specifically cited NavAids and

25 [TRAN, Evidence: Meeting on 4 December 2018](#); due to a technical difficulty, this testimony was not recorded.

Instrument Approaches as services that, while necessary to train professional pilots, are no longer being offered for smaller airports.

“[T]he Airports Capital Assistance Program is the only infrastructure investment fund available [to small regional airports] for safety and security-related projects, and its funding is limited to about \$38 million a year. This is an important program, but funding is insufficient for the airports already eligible, which doesn’t include general aviation airports without commercial service.”

[Daniel-Robert Gooch](#), President, Canadian Airports Council

Finally, several witnesses agreed that the current [Airport Capital Assistance Program](#) (ACAP) is insufficient for the needs of smaller flight schools. The ACAP is a Transport Canada-led funding program that targets improvement projects for regional airports. In 2015, the *Canada Transportation Act* Review Panel recognized the need for increased infrastructure support in the North. The Panel’s report recommended an additional \$50 million investment per year, for the next ten years, either through an increase to the ACAP, or the creation of a Northern Airports Capital Assistance Program.²⁶

Despite this recommendation, [Daniel-Robert Gooch](#), President of the Canadian Airports Council, indicated that ACAP funding remains stalled at \$38 million per year.²⁷ Although the ACAP is often the only source of funding available to regional airports, many airports are not eligible for funding, either because they have too much commercial traffic or, in the case of many flight school airports, because they do not have any passenger traffic.²⁸ [Mr. Priestley](#) agreed that \$38 million dollars is insufficient to cover funding needs across the country and added that only about 10% of this funding is allocated to the North.

26 *Canada Transportation Act* Review Panel, [Pathways: Connecting Canada’s Transportation System to the World](#), 2015, p. 67.

27 The Government Expenditure Plans and Main Estimates for [2014-15](#), [2015-16](#), [2016-17](#), [2017-18](#) and [2018-19](#) confirm yearly projected estimates of \$38 million. Actual expenditures during that timeframe, with the exception of 2015-16 which reached \$43,867,173, have been consistently lower than the projected estimates.

28 TRAN, *Evidence*: [Gervais](#) (COPA); and [Gooch](#) (Canadian Airports Council).



Recommendation 9

That the Government of Canada, in co-operation with provincial, municipal and territorial authorities, provide increased support to Canada’s flight schools and establish economic incentives to assist with the high capital costs associated with the establishment, operation and expansion of flight schools. Furthermore, that the Government of Canada increase the level of funding available through the Airport Capital Assistance Program, to reflect the recommendations of the 2015 *Canada Transportation Act* Review Panel.

Recommendation 10

That the Government of Canada consider introducing 100-per-cent bonus depreciation for certain capital assets for flight schools to allow the write off of equipment purchases such as flight simulators and training aircraft.

Supporting Students

“The largest barrier to producing more pilots is cost. Students are required to finance themselves.”

Richard Foster, Vice-President, L3 Technologies

During this study, the committee heard repeatedly that the high cost of training is a significant barrier for many aspiring pilots. While specific amounts differed slightly, witnesses agreed that the full cost of training to become a commercial airline pilot is between \$80,000 and \$100,000.²⁹ Given the lack of predictability or stability in the aviation industry, specifically in terms of the airline pay model and seniority system, Captain Adamus likened paying for flight instruction to “buying a \$100,000 lottery ticket.”

29 TRAN, *Evidence*: Dan Adamus (President of the Canada Board of Air Line Pilots International); Buss (ATAC); Cameron (as an individual); Doiron (Gander Flight Training Aerospace); Hadfield (The Ninety-Nines, Inc.); Captain Mike Hoff (External Affairs Committee, Air Canada Pilots Association (ACAP)); Kearns (as an individual); Mark Laurence (National Chair, Canadian Federal Pilots Association); Paillard (OAS); Rocha (Central North Airways and Central North Flying Club); and Marc Vandereagan (Flight School Director, Southern Interior Flight Centre, Carson Air).

According to witnesses, financial considerations are the main reason for students abandoning or not beginning a pilot training program.³⁰ [Mr. Paillard](#) indicated that 85% of Ottawa Aviation Services students complete their training, and that “90% of the failure rate is due to financials.” [Professor Kearns](#) pointed to a 50% attrition rate among students in programs affiliated with the [University Aviation Association](#),³¹ most of which are due to financial considerations. However, [Mr. Rocha](#) indicated that success rates and completion rates among students working towards a Commercial Pilot’s Licence (CPL) are significantly higher than those seeking a (potentially recreational) Private Pilot’s Licence (PPL).

Retention of pilots was also highlighted as a challenge, with a departure rate of approximately 30% throughout the aviation industry.³² New pilots, having recently made a significant financial investment through their tuition fees, face the challenge of extremely low paying entry-level jobs, often bordering on the minimum wage.³³ That said, many witnesses stressed that retention rates are significantly higher among airline pilots, due to better salary and working conditions as compared to general or business aviation pilots.³⁴

Witnesses proposed several ways to help support flight training students, including a federal government program to guarantee loans issued by commercial banks.³⁵ In its [brief](#), the Air Transport Association of Canada estimates that such a program could be implemented at a cost of less than \$5 million per year, for 10 years, affecting 600 new pilots annually.

Many solutions to address eligibility issues for current loan or grant programs were shared with the committee as part of its study. As [Mr. Paillard](#) indicated, “flying time,” despite being an integral component to flight training, is not considered to be instructional time for the purpose of loan programs. For example, he recommended that the Government of Canada amend the terms of the Canada Student Loans Program to encourage provincial and territorial authorities to follow suit. Similarly, [Ms. Cameron](#) and

30 TRAN, *Evidence*: [Buss](#) (ATAC); and [Kearns](#) (as an individual).

31 According to the Association’s [website](#), member colleges and universities are located primarily in the United States of America, but also in Canada, Australia, Europe and Asia.

32 [CCAA](#), p. 18.

33 TRAN, *Evidence*: [Cameron](#) (as an individual); [Doiron](#) (Gander Flight Training Aerospace); [Farly](#) (Aéro Loisirs); and [Laurence](#) (Canadian Federal Pilots Association).

34 TRAN, *Evidence*: [Cameron](#) (as an individual); [Gervais](#) (COPA); and [Hadfield](#) (The Ninety-Nines, Inc.).

35 TRAN, *Evidence*: [Buss](#) (ATAC); [Cameron](#) (as an individual); [Hadfield](#) (The Ninety-Nines, Inc.); [Kearns](#) (as an individual); and [Ottawa Aviation Services](#) (brief).



[Ms. Kincade](#) spoke about the need to extend financial support at the level of the Private Pilot's Licence, at least for those intending to continue on to a Commercial Pilot's Licence. [Mr. Lavigne](#) also suggested that the [Education and Training Benefit](#) be used to help veterans obtain flight training. [Mr. Paillard](#) also spoke to the difficulties facing retired military pilots in obtaining a civilian licence.

Finally, [Mr. Buss](#) proposed extending the current Student Work Integrated Learning Program (now the [Student Work Placement](#) program) to pilot training. This program, run by Employment and Social Development Canada, provides post-secondary students in science, technology, engineering, math and business programs paid work experience in a field related to their studies.

Recommendation 11

That the Government of Canada, in cooperation with provincial and territorial authorities, take the following steps to support flight students:

- A. amend the terms of the Canada Student Loans Program to include in-air instruction time as instructional time for the purpose of loan eligibility;**
- B. extend the Student Work Placement program to flight training for employment purposes;**
- C. extend the Veterans' Affairs Canada Education and Training Benefit to flight training for employment purposes; and**
- D. establish financial assistance programs or amend existing programs to assist professional students with the high cost of flight instruction through expanded eligibility criteria which recognize the integral role of Private Pilot's Licence training in training commercial pilots.**

International Student Retention

“I believe the number right now is that 56% of all the students in the flying schools [in Canada] are from other countries. The country subsidizes the students to come here. The flight schools charge almost double the amount of tuition for them, so there’s no incentive for our flight schools to not take them. The foreign students are good for our economy and they’re good for the local areas where they come in. However, we have to recognize that these students leave immediately after they get their licence.”

Robin Hadfield,

Director, International Board of Directors,
Governor, East Canada Section, The Ninety-Nines, Inc.,
International Organization of Women Pilots

An issue that was raised several times over the course of this study is the number of international students currently attending Canadian flight schools. According to the CCAA’s [Labour Market Information Report](#), approximately half of flight students in Canada in 2015 were international students. [Mr. Paillard](#) confirmed that this statistic remains the average among Canadian flight schools. [He](#) added that half of the international students will not stay in Canada after graduating.

Several witnesses explained that many international students receive financial assistance from their own government and are therefore in a position to afford higher tuition costs. This in turn allows flight schools to increase tuition rates for foreign students, creating further incentives for schools to make room for them. While this benefits the schools and the local economy, the proportion of international students who leave Canada after obtaining their licence further reduces the pool of new pilots available to Canadian industry.³⁶

The committee heard several calls to address this issue by simplifying the immigration process for international students who graduate from a Canadian flight school.³⁷

36 TRAN, *Evidence*: [Hadfield](#) (The Ninety-Nines, Inc.); [Rocha](#) (Central North Airways and Central North Flying Club); and [Hivon](#) (Aviation MH).

37 TRAN, *Evidence*: [Buss](#) (ATAC); [Bell](#) (British Columbia Aviation Council); and [Doiron](#) (Gander Flight Training Aerospace).



According to [Ms. Bell](#), flight schools looking to hire foreign pilots often face unclear immigration rules, as there is no established framework for doing so. She explained that pilots are considered to be engineers for immigration purposes, and must therefore be guaranteed 40 hours per week, Monday through Friday employment. Given the nature of flight school operations, this is not generally realistic.

Recommendation 12

That the Government of Canada establish a clear framework to simplify and encourage immigration by foreign pilots, particularly international graduates of Canadian flight schools.

Safety and Public Health

In light of testimonies and briefs presented to the committee, safety and public health are two important issues for stakeholders in the aviation industry.

[Ms. Hadfield](#) and [Captain Hoff](#) both pointed to a need for increased regulatory oversight and working conditions for flight schools in northern communities. Northern employment gives new pilots the opportunity to gain experience, and required flight time, before moving on to airline positions. Given the environmental challenges posed by flying in Canada's higher latitudes, Captain Hoff indicated that this results in a higher accident rate among pilots in the North. [Ms. Hadfield](#) also pointed to a historical perception within the industry that Northern operators, stretched thin of resources, would try "to push the limits on overweighting planes and for some maintenance issues." [Captain Hoff](#) recommended increased regulatory oversight by Transport Canada in areas where new pilots are more likely to be flying, particularly in the North.

On the issue of noise pollution, [Johanne Domingue](#), President of the Comité antipollution des avions de Longueuil spoke to the committee about the levels of noise caused by flight training exercises in urban areas. She indicated that "touch and go" take off and landing exercises are particularly disruptive. In his [brief](#), Mr. Baird proposed the establishment of guidelines to encourage the use of rural airports for flight training, and discourage training over densely populated areas.

As previously indicated, several witnesses representing flight schools spoke to the lack of support being extended to rural airports in terms of both financial support and services provided. As [Mr. Hivon](#) pointed out, smaller rural airports require support from NAV CANADA and Transport Canada, particularly in relation to NavAids and instrument approaches, in order to provide training for commercial pilots. He indicated that these

services are now being reduced to only major airports. This will necessarily concentrate professional pilot training centres to denser, more populated areas.

Recommendation 13

That the Government of Canada review current levels of regulatory oversight in the aviation industry, particularly in regard to operations that are heavily dependent on recently graduated pilots.

IN CONCLUSION

The committee heard from many witnesses about the challenges currently facing Canada's flight schools, particularly in the context of a global pilot shortage. Witnesses also highlighted a number of potential solutions to these challenges, in order to better assist flight schools in providing pilots to the Canadian aviation industry.

The committee learned that the most pressing challenge facing Canada's flight schools today is training and maintaining qualified flight instructors on staff. This difficulty is inextricably linked with the financial difficulties facing new pilots in general, and each issue further exacerbates the other. The recommendations in this report should be considered collectively, as no single solution will adequately address the current labour shortages in the aviation industry. These recommendations seek not only to support flight schools and students directly, but also aim encourage the modernization of the Government of Canada's flight training regulations to reflect recent and ongoing advances in both technology and educational practices.

APPENDIX A LIST OF WITNESSES

The following table lists the witnesses who appeared before the Committee at its meetings related to this report. Transcripts of all public meetings related to this report are available on the Committee’s [webpage for this study](#).

Organizations and Individuals	Date	Meeting
Comité antipollution des avions de Longueuil Johanne Domingue, President	2018/11/29	123
Ottawa Aviation Services Cedric Paillard, President and Chief Executive Officer	2018/11/29	123
Air Line Pilots Association International Dan Adamus, President ALPA Canada	2018/12/04	124
Air Transport Association of Canada Darren Buss, Vice-President	2018/12/04	124
As an individual Suzanne Kearns, Associate Professor University of Waterloo, Geography and Aviation	2018/12/04	124
Canadian Airports Council Daniel-Robert Gooch, President	2018/12/04	124
Canadian Federal Pilots Association Mark Laurence, National Chair	2018/12/04	124
Northern Air Transport Association Glenn Priestley, Executive Director	2018/12/04	124
As an individual Judy Cameron, Air Canada Captain (retired) and Director Northern Lights Aero Foundation	2018/12/11	126
Canadian Owners and Pilots Association Bernard Gervais, President and Chief Executive Officer	2018/12/11	126

Organizations and Individuals	Date	Meeting
The Ninety-Nines, Inc., International Organization of Women Pilots Robin Hadfield, Director, International Board of Directors and Governor East Canada Section	2018/12/11	126
Aéro Loisirs Caroline Farly, Chief Pilot and Chief Instructor	2019/02/07	129
Air Canada Pilots Association Mike Hoff, Captain External Affairs Committee	2019/02/07	129
British Columbia Aviation Council Heather Bell, Board Chair	2019/02/07	129
CAE Joseph Armstrong, Vice-President and General Manager	2019/02/07	129
Carson Air Marc Vanderaegen, Flight School Director Southern Interior Flight Centre	2019/02/07	129
Go Green Aviation Gary Ogden, Chief Executive Officer	2019/02/07	129
Super T Aviation Terri Super, Chief Executive Officer	2019/02/07	129
Aviation MH Martin Hivon, President and Chief Flight Instructor	2019/02/19	130
Central North Airways Michael Rocha, Owner and Senior Executive Central North Flying Club	2019/02/19	130
Elevate Aviation Kendra Kincade, Founder and Chair	2019/02/19	130
First Nations Technical Institute Adam Hopkins, Vice-President Enrolment Management and Student Services Jo-Anne Tabobandung, Chief Flight Instructor and Director of Aviation	2019/02/19	130

Organizations and Individuals	Date	Meeting
Gander Flight Training Aerospace Mike Doiron, Aviation Safety Officer EVAS Air Charters	2019/02/19	130
Kingston Flying Club Robert Lavigne, Vice-President	2019/02/19	130
L3 Technologies Richard Foster, Vice-President	2019/02/19	130

APPENDIX B LIST OF BRIEFS

The following is an alphabetical list of organizations and individuals who submitted briefs to the Committee related to this report. For more information, please consult the Committee's [webpage for this study](#).

Air Canada Pilots Association

Air Transport Association of Canada

Baird, William

Banglawala, Shihab

Bleach, Marilyn Schranz

Cameron, Judy

Central North Airways

First Nations Technical Institute

Guildford, Carl

Kearns, Suzanne

Northern Air Transport Association

Ottawa Aviation Services

Tillsonburg Flying School

REQUEST FOR GOVERNMENT RESPONSE

Pursuant to Standing Order 109, the Committee requests that the government table a comprehensive response to this Report.

A copy of the relevant *Minutes of Proceedings* ([Meetings Nos. 123, 124, 126, 129, 130 and 133 to 135](#)) is tabled.

Respectfully submitted,

Hon. Judy A. Sgro, P.C., M.P.
Chair

Introduction

During the Standing Committee on Transport, Infrastructure and Communities' study resulting from Motion 177, the committee heard testimony from witnesses regarding the impact of the federal excise tax on flight schools in Canada.

Additionally, the committee heard frequent testimony from witnesses on the impact of the federal and/or provincial carbon tax on flight schools in Canada.

Carbon Tax

Flight schools function in an industry with very tight margins and are very cost sensitive. With respect to the impact of a carbon tax on flight schools, the Committee heard a great deal of testimony indicating the negative impact it will have on their costs and on their students.

At its meeting on February 7, 2019, the Committee heard the following recommendation from Ms. Terri Super (Chief Executive Officer of Super T Aviation):

“To help keep the cost of training down for the student, we recommend that the federal government: one, exclude flight schools from the carbon tax, which has increased and/or will increase the cost of training for the student dramatically;”

Ms. Super added the following comments regarding the provincial carbon tax which currently exists in Alberta:

“The carbon tax that we have already in Alberta, and it is significant, does increase the costs.

We need the infrastructure. We need airlines. Everyone wants to fly. You guys all fly on an airline to get home on the weekends. We have to provide that.

The idea that the carbon tax will help people to reduce use of fossil fuels is just not going to be true for a flight school. The more students we put out, the more fuel we're going to use."

On February 19, 2019 Captain Michael Rocha (Owner of Central Northern Airways) made the following comments during the committee's meeting:

"I think when you add cost to the industry, the customer will ultimately have to pay for it, which will be the prospective pilots and the students. What they're going to do is look at their options and say, 'Okay, am I going to spend \$100,000 to do a pilot's licence to make x amount of dollars, or can I go into another industry and do something else?' That's ultimately what ends up happening: the costs get so high that they'll do other things and they'll go and find other jobs and professions to pursue. So I think you have to be very respectful of the sensitivity to the cost of doing flight training."

Also at the committee's February 19, 2019 meeting, Mr. Richard Foster (Vice-President of L3 Technologies) added these comments following Captain Rocha's remarks:

"I would agree with that. I think the cost eventually would be passed on to the customer with any kind of regulation. I do think the industry is trying to align itself to reduce its carbon footprint with new technologies."

Following up on the remarks by Captain Rocha and Mr. Foster, Mr. Martin Hivon (President and Chief Flight Instructor of Aviation MH) contributed the following to committee:

"Basically I fully agree with what I've heard so far. Any additional costs will eventually be passed on to the customer. In the case of a flight school, the customer is the student pilot. But all of that is going to eventually end up at the industry level, and the ultimate customer, the regular passenger on any airline, will end up footing that bill. There's no miracle there."

Excise Tax

With respect to the impact of the federal excise tax paid by flight schools, the Committee heard testimony indicating the negative impact it has on their costs and on their students.

At its meeting on February 7, 2019, the Committee heard the following recommendation from Ms. Terri Super (Chief Executive Officer of Super T Aviation):

“To help keep the cost of training down for the student, we recommend that the federal government: . . . two, reprise the federal excise tax for fuel on instructional aircraft;”

In its brief to Committee, flight school Ottawa Aviation Services (OAS) noted:

“Typically, one of the largest expenses for flight schools is fuel. That annual expense for OAS is forecasted to reach nearly \$2 million by 2021.

In turn, this expense is passed on to our students through tuition fees.

Offering training institutions a refund on the federal taxes levied on fuel used for aircraft during instructional time would mean significant savings. This could be reflected in lower tuition fees, making the sector more appealing for potential students.”

Conclusion:

In conclusion, the Conservative members of the Standing Committee on Transport, Infrastructure and Communities believe that the committee’s report should have addressed comments concerning these two taxes more fully and made recommendations to the Government concerning them.

Recommendations:

1. That the Government of Canada scrap the carbon tax, or, at a minimum, exempt aviation fuel used for instructional purposes.
2. That the Government of Canada consider a reduction or exemption of the federal excise tax on aviation fuel used for instructional purposes.

NDP Supplementary Opinion

The NDP supports the majority report of the study on *Challenges Facing Flight Schools in Canada* even though it neglects many critical issues and abundant, compelling evidence. To address these shortcomings, we are providing a supplementary opinion to the report.

Our recommendations reflect the ideas and values of New Democrats and increase cooperation between the industry and the communities in which it operates, for example by addressing safety, economic development and public health issues. We believe the government must put tools in place to promote the development of flight schools in the regions, improve the training and certification process, and allow the airline industry to strike a balance between the need for qualified pilots and the need to maintain a strong network of experienced trainers.

The NDP's recommendations also address Transport Canada's role in establishing a more effective system for examining and certifying new pilots and in increasing regulatory oversight, particularly in regions with higher accident rates.

Recommendation 1: That Transport Canada take the necessary steps to speed up the training process for pilot examiners and that these steps not be at the expense of safety.

"A secondary issue that will be rearing its ugly head here in the near future, I'm sure, is the shortage of pilot examiners. [...] However, this is compounded by the fact that Transport Canada is taking excessively long time frames to train and certify new pilot examiners. From our experience, the actual training process, which takes approximately two to three days of focused activities to complete, has taken as much as six to 12 months. Over the last decade, Transport Canada's level of service has become a serious issue for operators. Whether it's licensing of pilots, approval of operational manuals or amendments, or specialty activities such as pilot examiner training, the current time taken is way outside the norm. It recently took over one year to get a flight training manual approved."

- Mike Doiron, Aviation Safety Officer, EVAS Air Charters, Gander Flight Training Aerospace

While the committee's report addresses the shortage of pilot instructors and recognizes the importance of government action to address this issue, it does not propose any action with respect to the shortage of pilot examiners and Transport Canada's unreasonable delays in the training and certification of new pilot examiners.

Pilot examiners are just as important as pilot instructors in training new pilots. Increasing the number of pilot instructors is not a solution to the challenges flight schools face if their students have to wait several months, or even several years, to be evaluated. Transport Canada needs to review its examination and certification system to

speed up the entry of new pilots into the job market. However, these changes must not be at the expense of safety or quality.

Recommendation 2: That the federal government establish guidelines to encourage the use of rural airports in order to reduce noise and the risk of collisions above densely populated areas.

“People who live near airports often feel like second-class citizens. They cannot enjoy a normal evening like everyone else. Cargo aircraft begin flying over homes at 4 a.m. At about 5 a.m., 6 a.m. and 7 a.m., there are itinerant flights headed towards the regions. Between 8 a.m. and 11 p.m., there are local flights by small aircraft that transport packages. We are woken up starting at 4 a.m. and constantly bombarded by the noise.”

- Johanne Domingue, Comité antipollution des avions de Longueuil, testimony as part of the study on Assessing the Impact of Aircraft Noise in the Vicinity of Major Canadian Airports

Ms. Domingue told the committee that continuous flights near residential areas negatively affect residents’ quality of life. Given the known health risks, measures must be taken to limit the negative impacts on Canadians.

“Guidelines for flight training would be put in place that encourages the use of rural airports, as was the case during WWII, and discourages the use of urban airports where the flights must occur over densely populated areas. This deployment would additionally enhance the economy of rural areas.”

- Excerpt from the brief by William Baird, who lives in a community adjacent to the Ottawa International Airport

In addition to reducing noise around major airports, developing rural airports would support regional economic growth and, in particular, reduce air traffic above major centres while decreasing the risk of mid-air collisions. These measures would enable training to be conducted under safer conditions.

Recommendation 3: That the federal government upgrade the services offered by Nav Canada and Transport Canada at smaller airports, including aids to navigation services.

“The federal government and Nav Canada are concentrating all the services they offer on the major airports in Canada. These airports are already quite busy and cater mostly to major airlines. [...] However, flight schools like mine that operate away from these major centres must operate on smaller aerodromes that are not supported by Nav Canada and/or the federal government.... Nav aids and instrument approaches are no longer supported by Nav Canada, and both nav aids and the approaches are being decommissioned at all but the major airports. How are we supposed to train new pilots if the major airports are

overcrowded and the smaller ones no longer have the infrastructure required to support flight operations and flight training? We can train private pilots without access to conventional nav aids and instrument approaches, but we cannot train professional pilots without them.”

- Martin Hivon, President and Chief Flight Instructor, Aviation MH

To further support the development of regional flight schools, we believe it is essential for Transport Canada and Nav Canada to upgrade the services offered in rural airports in order to help existing flight schools maintain and improve their services, and to support the establishment of new flight schools at less busy airports.

Recommendation 4: That the federal government increase Transport Canada’s regulatory oversight in regions with the highest accident rates, particularly in the North.

“Let me speak frankly. Day-to-day regulatory oversight can be totally disconnected from the reality on the ground. Rules require self-monitoring, and that means pilots are supposed to decide for themselves whether or not they are fit for duty, which can be a tough decision when you are new and out of your element. [...] If you need the job to get a better job, it can create a tremendous amount of pressure on inexperienced pilots, and it’s one of the reasons that, when we look at accident rates in Canadian aviation, the majority of hull losses—in other words, the total loss of an aircraft, and far too often the souls on board—are in the far north. I can tell you honestly that, as a parent, I did not get a good night’s sleep when my son was flying up north.”

Captain Mike Hoff (Captain, External Affairs Committee, Air Canada Pilots Association)

The reality of the industry is that the first job many newly licensed young pilots get is in the North. Paradoxically, it is a very demanding work environment, where pilots can face unique pressures and challenges. However, Transport Canada does not exercise the same level of oversight in the North as it does in busier areas. We believe it is imperative for Transport Canada to adapt its oversight in these remote areas so our young pilots have a healthier and safer work environment.

