



QANTAS

CRISIS

MANAGEMENT

PLAN

By Dan Johnson, Josiah Duncan & Adam Woodcock

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Part 1: Background

Description of event

Throughout 2011, Qantas became involved in a number of industrial disputes that eventually became so heated, they resulted in the grounding of the entire Qantas mainline fleet.¹

The Transport Workers Union (TWU) began industrial bargaining with Qantas in mid 2011, insisting the airline guarantee improvement to wages and working conditions.² Over 9 months, more than 200 meetings were held with little to no resolution, resulting in industrial action by the unions that caused major disruptions to the flight schedule, and cost Qantas \$68 million dollars.³

¹ "2011 Qantas industrial disputes - Wikipedia, the free ..." 2011. 9 May. 2015

<http://en.wikipedia.org/wiki/2011_Qantas_industrial_disputes>

² "TWU - Transport Workers Union (TWU) - Media." 2012. 9 May. 2015

<<http://www.twu.com.au/home/media/tribunal-begins-hearing-qantas-labour-dispute/>>

³ "Qantas: Strikes Have Cost A\$68 Million - WSJ." 2014. 9 May. 2015

<<http://www.wsj.com/articles/SB10001424052970203554104577002841115731050>>

On July 11, raising concerns of job security, long-haul pilots voted to take industrial action against Qantas.⁴ With jobs being sent offshore, long-haul pilots responded with a wide array of actions; ranging from five-minute work stoppages to two-day walkouts.⁵ Further mounting pressure on Qantas, three days later the engineers' union sparked a wave of more serious stop work actions, attempting to extend the protected bargaining period - in order to achieve 'real action'.⁶

Two months later, negotiations became more inflamed than ever: with over 4000 ground staff and baggage handlers across the eastern seaboard, refusing to work. Disputing pay and working conditions, the staff performed a strike from 7am - 11am on September 20. More than 6000 passengers were affected by the strike, with Qantas forced to cancel 29 flights and delay another 27. This however was just the beginning, with countless strikes following across the next month, leaving Qantas at breaking point.⁷

Aircraft maintenance engineers, TWU members, The Australian Licensed Aircraft Engineers Association, ground staff and The Australian and International Pilots Association, all involved themselves in increasingly animated industrial action. One-hour strikes, death threats, four hour strikes, refusing to weigh baggage, and rolling strikes, causing chaos across the entire Qantas fleet.⁸ Hundreds of flights were canceled, with tens of thousands of customers affected.

Meanwhile Qantas was already in a state of disarray, losing millions of dollars in its international division,⁹ therefore unable to fulfil the demands of the unions and remain financially stable. Consequently on October 29,

⁴ "Long haul Qantas pilots vote to take industrial action ..." 2011. 9 May. 2015
<<http://www.heraldsun.com.au/news/long-haul-qantas-pilots-vote-to-take-industrial-action/story-e6frf7jo-1226092482017>>

⁵ "Qantas pilots set to strike for first time in 45 years amid calls ..." 2013. 9 May. 2015
<<http://www.news.com.au/travel/travel-updates/long-haul-qantas-pilots-demand-more-security/story-e6frfg80-1226092815165>>

⁶ "Industrial action - Fact sheets - Fair Work Ombudsman." 2014. 9 May. 2015
<<http://www.fairwork.gov.au/about-us/policies-and-guides/fact-sheets/rights-and-obligations/industrial-action>>

⁷ "Timeline: how the Qantas crisis unfolded | The Australian." 2012. 9 May. 2015
<<http://www.theaustralian.com.au/archive/travel-old/timeline-how-the-qantas-crisis-unfolded/story-fn3025r5-1226181564925>>

⁸ "Guards for Qantas boss Alan Joyce after death threats." 2013. 9 May. 2015
<<http://www.news.com.au/finance/guards-for-qantas-boss-alan-joyce-after-death-threats/story-e6frfm1i-1226158582460>>

⁹ "1. Qantas aims to slash \$1 billion from cost of international ..." 2015. 9 May. 2015
<<http://www.smh.com.au/it-pro/qantas-aims-to-slash-1-billion-from-cost-of-international-operations-20140817-1051cm.html>>

CEO Alan Joyce grounded the entire qantas fleet worldwide, warning staff involved in the action, they would be locked out.¹⁰

Fortunately for Qantas, 48 hours later, Fair Work Australia terminated all industrial action between the unions and Qantas, giving the parties 21 days to resolve the matter.¹¹

Type of Crisis

Confrontation or challenge crisis.



¹⁰ "Qantas grounds entire fleet - ABC News (Australian ..." 2011. 9 May. 2015
<<http://www.abc.net.au/news/2011-10-29/qantas-locking-out-staff/3608250>>

¹¹ "Fair Work Australia Halts Qantas Industrial Action." 2013. 9 May. 2015
<<http://www.smh.com.au/federal-politics/political-opinion/fair-work-at-work-20111030-1mqdj.html>>

Part 2: Plan Development

Groups/individuals to seek for input into the crisis risk inventory

Group/Individual	Department	Reasoning
Chief Financial Officer	Finance	What the financial risk factors might be in terms of making decisions to manage the crisis.
General Managers	Engineering & Maintenance	Potential safety risks in the case of a crisis, and the best way to handle these.
Chief Executive Officer	Management	How and when he will communicate to the public in the case of a crisis.
General Managers	Human Resources	What the best way to communicate with staff would be in the case of a crisis.
Head of Legal Operations & General Managers	Legal	Possible legal ramifications in the case of a crisis, and what the best way to respond would be without creating further legal issues.

Information that would be relevant to creators of a crisis management plan

Qantas has built a reputation for excellence in safety, voted number one by Airline Ratings, with no fatalities in the jet era.¹² This is therefore the most important factor to be aware of when creating a crisis management plan; if Qantas loses its reputation of safety first, it's likely thousands of customers would be lost.¹³

Several methods of communication are used to notify customers and travel agents when schedule changes occur to international and domestic flights. These include updates on social media, the qantas website and text messages.¹⁴

Qantas recognises Aboriginal and Torres Strait Islander people as the original custodians of Australia, and makes all attempts to ensure their business reflects the principles of inclusion and diversity.¹⁵ The company also aims to keep their workforce engaged, with a culture of constant improvement.¹⁶

¹² "Qantas Review & Safety Ratings | AirlineRatings.com." 2013. 9 May. 2015
<<http://www.airlinerratings.com/ratings/2/qantas>>

¹³ "Our Company | Qantas." 2009. 9 May. 2015
<<http://www.qantas.com.au/travel/airlines/company/global/en>>

¹⁴ "Policies and Procedures - Qantas." 2011. 9 May. 2015
<https://www.qantas.com.au/agents_us/dyn/usqf/info/policies/policiesIndex>

¹⁵ "Spirit of Reconciliation | Qantas." 2013. 9 May. 2015 <<http://www.qantas.com.au/reconciliation/>>

¹⁶ "Qantas Diversity Statement." 2011. 9 May. 2015
<<http://www.qantas.com.au/infodetail/about/corporateGovernance/diversityStatement.pdf>>

Crises triggers, risks and types that the company is exposed to

Risks	Type of Risk	Likelihood	Severity	Issue Monitoring
Plane Crash	Technological	2	5	<ul style="list-style-type: none"> Regular maintenance checks Comprehensive service manuals
Hijacking	Malevolence	3	5	<ul style="list-style-type: none"> Good relationship with Aust. Fed. Police Air marshall reports Customer reporting in place
Staff Strike	Confrontation	1	5	<ul style="list-style-type: none"> Staff surveys Practiced HR channels Counselling services
Intoxicated staff member (pilot or otherwise)	Employee misconduct	2	4	<ul style="list-style-type: none"> D&A testing policy D&A in the workplace education Staff complaints
Rumour about Qantas food safety	Rumour	3	4	<ul style="list-style-type: none"> Google alerts Good relationship with food suppliers/chefs

Part 3: Creation of Plan

Nominated Crisis Team ¹⁷

Job Title	Name	Contact Details	Crisis Role	Responsibilities
Chief Financial Officer	Tino La Spina	tino.laspina@qantas.com.au	Team Leader	<ul style="list-style-type: none"> Team Management
Chief Executive Officer	Alan Joyce	alan.joyce@qantas.com.au	Spokesperson	<ul style="list-style-type: none"> Fronting the Media
Executive Manager of Corporate Affairs and Communications	Andrew McGinnes	andrew.mcginnes@qantas.com.au	Communications	<ul style="list-style-type: none"> Lead Communicator Works with legal on external comms Produces all internal comms
Head of Legal	Nick Brodribb	nick.brodribb@qantas.com.au	Legal	<ul style="list-style-type: none"> Legal counsel/guidance Assist with communications preparations
Senior HR Consultant	Sean Campbell	sean.campbell@qantas.com.au	HR	<ul style="list-style-type: none"> Lead negotiator with Unions
Executive Assistant to the CFO	Brooke Commins	brooke.commins@qantas.com.au	Record Keeper	<ul style="list-style-type: none"> Notes every process taken Establishes evaluation methods Post-crisis evaluation

¹⁷ "Board of Directors | Qantas." 2009. 9 May. 2015
<https://www.qantas.com.au/travel/airlines/board-of-directors/global/en>

Media Conference Details

Venue:

Qantas Headquarters, Mascot, New South Wales

Ensure availability of;

- Comfortable seating
- Reserved parking for TV trucks and all media
- Private interview rooms (if required)
- Basic refreshments (tea, coffee, water)
- Toilet facilities
- Podium with microphone compatibility
- Temporary public wifi

Spokesperson(s):

- First preference
 1. CEO - Alan Joyce, and
 2. Senior HR consultant Sean Campbell (if required)
- Secondary
 1. Interim CEO
 2. Senior HR representative

Explanation of Media Conference:

In the event of a confrontational crisis, namely dealing with staff strikes or industrial actions, Qantas CEO Alan Joyce, will be the primary go-to spokesperson for all media engagements.

All press conferences will be held at the Qantas Headquarters in Mascot, New South Wales. Given the nature of the crisis it is very much an internal crisis with potentially major external ramifications, as such portraying Mr Joyce outside the HQ will bolster his credibility. Creating a visual indication his involvement is very much hands on, with a focus to resolution.

To take cues from the original crisis in 2011, a number of conferences were held at Qantas HQ within a board room, backed with Qantas logos.

Depending on the severity of the crisis, a conference held outside the Transport Workers Union (TWU) could also be viable, if it is deemed it is the TWU that is holding up the progress of negotiations.

This would create a striking visual to both the media and the general public, of Qantas physically at the doorstep of the TWU, trying to reach a resolution.

Should Mr Joyce be unavailable, or the interim CEO not in a position to front the media, Senior HR consultant Sean Campbell would be an ideal second candidate given his long tenure with Qantas.

Should neither party be available, another senior member of the HR team as outlined above under "spokesperson(s)".

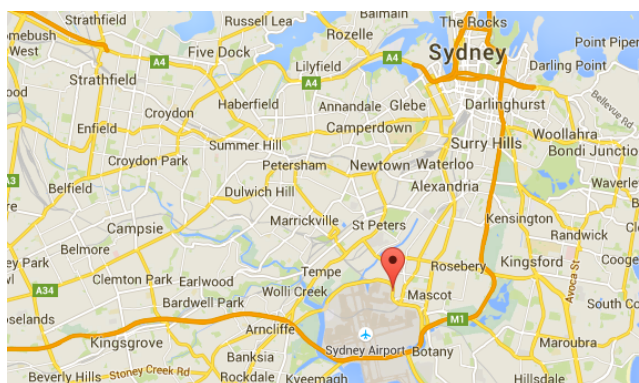
Given that confrontational crises are typically a result of internal relationships breaking down, a representative from HR would be favourable to stand by Mr Joyce during any public appearances. This shows a well informed member of staff is actively involved in the proceedings, as HR leaders would arguably have the most knowledge with regards to these more personal crises.



Dedicated Response Centre

Location:

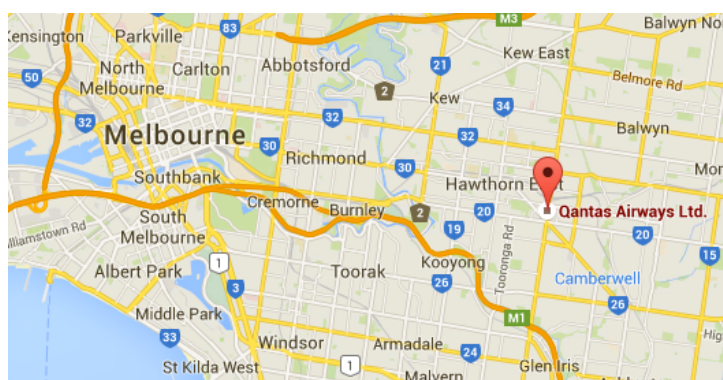
Qantas' head office is situated in Mascot, New South Wales, therefore to coordinate key internal communications efficiently and effectively with departments within the organisation the dedicated response centre should be operated at the headquarters in Mascot.



Subsidiary Response Centre:

However depending on the type of crisis, for instance this specific crisis (Confrontation or Challenge) a subsidiary office should be coordinated in line with the location of the specific issue being dealt with.

A subsidiary office located in Melbourne should be allocated to have a team on the ground ready to coordinate communications between Fair Work Australia, in case of an emergency tribunal hearing.



Equipment Required:

- Telephone & mobile headsets linked to internal intranet; missed calls will be forwarded to email shared between team and also left on voicemail - this is to ensure all external and internal verbal communications are delivered to the recipient, regardless of the team members availability.
- Fax Machine and copier linked to Intranet & head office in Sydney; an updated link to the designated recipient's email should also be implemented - to ensure all documentation relevant to external and internal communications is delivered to the desired recipient in a timely and efficient manner.
- A PC with the relevant software and communications applications installed to help staff implement the crisis management in a timely, effective and efficient manner.
- Internal Intranet and email program specifically designed to be compatible with the company's domain and firewall; with standardised verifiable company email addresses and passwords for efficient and effective access, usability and functionality.
- Required office furniture designated for the number of team members specified in the crisis management team, including office chairs, desks and amenities.
- Basic office supplies including paper, pens and other administrative tools.¹⁸

¹⁸ Setting up a crisis communications center - TechRepublic. [ONLINE] Available at: <http://www.techrepublic.com/article/setting-up-a-crisis-communications-center/>. [Accessed 09 May 2015].

Communication Strategy

Confrontation or challenge crisis' key strategic goals for implementing the communication strategy should include the following key guidelines:

- Establish Key Messages & Key Audience Demographics
- Establish Resources Available, e.g. Financial, Time, Human Resources
- Implement Communication to Target Audience

Key Media Message Template:

- Qantas Welcomes Fair Work Australia's decision and is working cooperatively to ensure all relevant issues and proceedings are dealt with efficiently and in a timely manner.
- Currently all engineers, flight staff, baggage handlers and pilots will be locked out due to the amplifying concern of Qantas employees and the TWU, Qantas wishes to apologise to any customers affected by the ramification of events and is working in accordance with the demands of the workers unions to ensure negotiations become resolute in a timely manner.
- National and international aircraft will be grounded in accordance with the demands from the workers unions, all passengers will be notified by email and Flight SMS notifications. Any aircraft currently in the air will complete their sectors however there will be no further Qantas domestic departures or international departures from any airports.
- The lockout will continue until the relevant unions can compromise on the actions to be taken in accordance with Qantas policies and procedures.
- Customers can contact Qantas' friendly support team on 13 13 13, for any further information or visit our website at www.qantas.com.au/travel/airlines/disruptions/global/en.¹⁹

¹⁹ The Qantas dispute: employer's lockout, ministerial intervention and Fair Work Australia's decision | Clayton Utz. 2015. The Qantas dispute: employer's lockout, ministerial intervention and Fair Work Australia's decision | Clayton Utz. [ONLINE] Available at: http://www.claytonutz.com/publications/news/201205/01/the_qantas_dispute_employers_lockout_ministerial_intervention_and_fair_work_australias_decision.page. [Accessed 07 May 2015].

External:

Website Travel Update Bulletin:

Flights departing [Enter Departure Location, Date & Time], have been delayed intermittently:

Qantas apologies for the inconvenience caused and advises passengers to seek alternate means of travel.

Accommodation will be reimbursed for passengers whose flights will not reach their destination and flight numbers [Insert Flight Number/s] who were expecting to fly will be fully refunded.

Passengers are advised to check Qantas.com for the latest updates.

Press Release Template:

Media Release

For Immediate Release

[Insert Date]

Cancellation of Flights Departing [Insert Date & Time Frame]

Today the [Insert Date] Qantas was forced to cancel Flight [Insert Flight Number] from [Insert Departure Country] to [Insert Arrival Country] due to [Insert Cause] on [Insert Date of Cause].

Excellent delivery of customer satisfaction is at the forefront of our business model at Qantas, we aim to deliver a premium service and operate as the world's best airline.

Qantas is currently in discussion with [Insert Relevant Correspondent] to have the issue remediated as soon as possible.

All immediate customers will be notified via Email and Flight Service Update via SMS of relevant updates, customers are encouraged to call Qantas on 13 13 13 to speak to one of our friendly representatives.

For media enquiries please contact: qantasmedia@qantas.com.au

For updates about travel information and our real time Flight Status page, please visit: www.qantas.com.au/travel/airlines/disruptions/global/en

Internal:

Higher Management:

In accordance with procedure for communications between higher management and the communications team, all communications should first be approved by the team leader, if the team leader is not available please see your supervisor.

Method of initial communication should be email as it is crucial to not interrupt higher management during a crisis.

If the matter is urgent and the recipient has not responded then please schedule press conference and mark as 'Urgent'.

Position	Name	Preferred Communication Tool/Method
Chief Financial Officer	Jenny Chamberlain	Press Conference - Email (jenny.chamberlain@qantas.com.au) Phone (Secondary): 02 77266820
Chief Executive Officer	Alan Joyce	Phone: 02 77266829 Press Conference - Email (alan.joyce@qantas.com) Phone (Secondary): 02 77266829
Executive Manager of Corporate Affairs and Communications	Andrew McGinnes	Phone: 02 77266828 Email - (andrew.mcginnes@qantas.com.au)
Head of Legal	Nick Brodribb	Email: (nick.brodribb@qantas.com.au) Phone: 02 77266827
Senior HR Consultant	Sean Campbell	Email: (sean.campbell@qantas.com.au) Phone: 02 77266826
Executive Assistant to the CFO	Brooke Commins	Email: (brooke.commins@qantas.com.au)
Group General Manager for Industrial Relations	Sue Bussell	Email: (sue.bussell@qantas.com.au) Phone: 02 77266826

Lower Management:

Intranet Memo & Email;

The disputes between Qantas and the Workers Unions are still currently undergoing serious consideration, scrutiny and evaluation.

In accordance with Qantas policies and procedures all general managers should go about their daily duties until further notice.

All relevant updates are available on the intranet, should any requests be admitted by an employee within your department please refer to the latest schedule.

It is imperative during these negotiations that all record keeping procedures are followed specifically within the company's policy, and submitted to your Divisional manager so operations run efficiently.

Please keep your staff well informed, any disputes should be mediated to the best of your ability.

A meeting will be conducted on [Insert Date] with your divisional manager to discuss any concerns regarding the current disputes.

Thank you.

Andrew McGinnes

A handwritten signature in black ink, appearing to read 'Andrew McGinnes', with a long horizontal flourish extending to the right.

Labourers:

Staff Bulletin;

At Qantas we take the concerns of our employees very seriously, and pride ourselves on our traditional method of workplace integrity and value the hard work that everybody delivers.

Currently, discussions are in place with [Insert Relevant Correspondent] to have the current issues resolved both efficiently and fairly.

Please remember that Qantas offers counselling services to all its employees, you can contact them to request a meeting anonymously at humanresources@qantas.com.au.

Any concerns regarding the current disputes and how they may impact you can be discussed with your line manager who is currently informed of the relevant information.

We thank you for your patients during the negotiations.

Sean Campbell

A handwritten signature in black ink, appearing to read 'Sean Campbell', with a large, stylized initial 'S'.

Key Stakeholders Groups

Stakeholder	Initial Communication Tool	Follow Up Communication	Timing
AIPA (Australian & International Pilots Association)	Electronic Communication: Email & Fax	Verbal Communication: Video Conference, Telephone Call	Initial: 24 Hours Follow up: 48 - 72 Hours
Asian Correspondents; e.g. Jetstar Japan - Singapore & Kuala Lumpur	Press Conference or Video Conference & Phone Call	Email & Fax relevant follow up information & documentation	Initial: Immediate or ASAP Follow up: Less than 24 hours
Shareholders	Meeting, Conference: Video & Face to Face	Email & Fax	Initial: Within 48 Hours Follow up: Within 1 week
National & State Governments	Email	Phone - Video Conference/Meeting	Initial: Within 48 Hours Follow up: 1 Week
Fair Work Australia	Email/Fax	Email Press Conference - With record keeper attended, for legal reasons it is imperative no communication is done verbally (e.g. phone)	Initial: Within 48 Hours Follow up: 72 Hours
Flight Attendants Union	Electronic Communication: Email & Fax	Verbal Communication with record keeper: Telephone Call	Initial: 24 Hours Follow up: 48 - 72 Hours
Local & International Competitors; e.g. Virgin Australia, Strategic Airlines	Intranet Message Board (Already linked for emergency situations) & Phone	Intranet Message Board (Follow up notification)	Initial: Immediately (Less than 6 Hours) Follow Up: 24 Hours
Employees	Internal Management: Face to Face	Notice Boards/Intranet	Initial: Less than 24 Hours Follow up: 1 Week
Passengers & Customers	SMS & Email	Website & Social Media; Twitter Facebook etc.	Initial: Immediately Follow Up: Less than 6 hours
Board of Directors	Meeting/Press Conf	Email & Letter	Initial: Immediate Follow up: Less than 1 Week