
MEDIA RELEASE

QANTAS CRISIS HIGHLIGHTS AUSTRALIA'S VULNERABILITY

The Australian Risk Policy Institute (ARPI) urges Federal, State and Territory Governments to introduce responsible Risk Policy measures and demonstrate strong Risk Governance to reduce Australia's and Australians' Vulnerability to Qantas-type situations.

'Being an island nation, Australia relies on travel and communication to maintain our prosperity, lifestyle and well being' said Tony Charge, President of ARPI. 'Public policy and legislation must protect Australia's interests by recognising Vulnerabilities which can lead to unacceptable risks and situations such as the Qantas closure.'

The fact that essential services to Australia and for all Australians can be closed down unilaterally with serious impacts to Australia's economy and way of life must be recognised and addressed to protect the public interest.

Vulnerability must be recognised as part of public policy making and implementation – enabling consequential risks to the Australian economy and way of life to be identified. Governments must then ensure that individual entities cannot threaten or damage Australia's prosperity or security, without at least going through a public and notifiable process.

Whether an inability to settle an industrial dispute is sufficient reason for closing down an airline is a matter for public policy debate in the public interest: but the power to do so with potentially catastrophic consequences well beyond the boundaries of the airline company and its employees constitutes a national Vulnerability.

Consequential risks to society created by Vulnerability are known as 'systemic risks.' These must be identified in the first place as such and then managed accordingly. Systemic risk ownership and resolution are matters for Risk Governance and risk management processes which must involve all stakeholders.

Clearly, the fundamental systemic risk in the Qantas case was not owned solely by Qantas – and equally the solution required and still requires collaboration among stakeholders. There is a formal process in train now for this.

Had Governments identified Australia's Vulnerability to a unilateral decision to close down an airline, including identifying the consequential impacts on business and society and Australia's international reputation, good public policy would have demanded at the very least a formal process to mitigate the risk of closure for all affected parties and still have enabled a resolution of the industrial dispute – without the airline being closed.

More information on ARPI's leading global thinking on 'Risk Policy' and a copy of the 'Risk Policy Model' with 'Questions and Answers' can be found at www.arpi.org.au

Media Contacts:

Rohan Goyne 0418 447 328
Tony Charge 0418 481 220

4 November 2011