# Up in the air: WHS in aviation

**Virtual Seminar Series - Transcript**

[On screen: Talking HROs and safety with Professor Patrick Hudson and Mark Sinclair from Qantas]

Professor Patrick Hudson, Delft University of Technology, The Hague, Netherlands

Mark Sinclair, Head of Safety, Quality and Compliance – Qantas Engineering at Qantas

(Soft music)

**Patrick:** What is a high reliability organisation? It's an interesting question because it's an organisation which takes things like safety, worksite safety, environment, quality and reliability, really seriously, and performs exceptionally well under conditions where other people don't do so well. The question I want to start with is, how do you go about becoming an HRO? I'm not going to say you are one yet, but this is your aspiration, I think.

**Mark:** Qantas is very old airline, one of the oldest in the world. We're approaching our 100 year anniversary very soon, and as a result of that, we've sort of grown in complexity across our business. Over the many years of organic growth, some of that complexity has taken us away from where we want be, and we're looking at ways now, to model back in that simplicity and clarity around our operations. Clarity around our risk and controls, in making sure we've got an organisation that's fit for purpose, that's lean, with the right management structure and capability.

We'd like to mature our organisation towards being a HRO, and in the model that we have taking, our approach is to start with understanding our processes, get lean, efficient processes. Those processes would lead us to aligning our organisation, or our organisational structure, to meet those processes efficiently, understand the risks to the deliverables out of those processes, and then, what controls, and especially, what critical controls, need to be in place. What metrics should be in place, around the lead and lag indicators to actually get a grip on the health of those controls and put that into play. It's a closed-loop type feedback system that continues to evolve and improve.

Over a period of time, like any legacy carrier, there's been some wonderful learnings, and the business is adapted those, and there's nuggets of gold that's included in those. However, layer upon layer of those additions has created a complexity that makes it difficult for our staff to comply, and difficult to meet the needs of a HRO. We're trying to close the gap between work, as imagined as work, and work as done, so that we can better understand and deliver operational excellence as well as safety excellence through our business.

(Gentle music)

[On screen: Moving from in-place to fully effective systems]

**Patrick:** I don't know if you agree that what you may be struggling with, is that you've got the processes and they're all in operation, but they're not always leading the life and delivering the results that you originally wanted them to achieve, so what you're trying to do is to make them truly effective.

**Mark:** That's right. If it's simply that you’ve got better alignment of accountability and authority, and we can push that decision making down to the area of the business

where the expertise really is, to try and get it to the right levels in the business. We're very careful about getting those processes mapped, on function level to what we want to deliver, getting our organisation to line up and match that as well, so we get the right authority at the right levels.

**Patrick:** That's, I think, a really important point. We often hear about worker empowerment, but we don't really often know what it means, because we're looking at the aircraft engineering and environment, and you've got people who are working on their own quite often, don't you?

**Mark:** We're dispersed, of course. We're an international carrier. We're across all time zones and countries, and we have staff spread around the world, that also has sometimes different cultures, different beliefs that we have to try and amalgamate or bring into our fold and do things the way we require.

**Patrick:** You obviously have a lot of contractors as well, don't you?

**Mark:** We do. Yes. We employ companies and so forth, to work on our aeroplanes, and people either on our line stations, or in some of the aircraft that we have overseas for heavy maintenance. And managing that difference in culture, and managing that quality standard that we expect, takes, sometimes, extra effort and extra attention from our staff, and maybe a little deeper assurance-type program level of work that we roll across these businesses.

(Gentle music)

[On screen: HROs can more safely utilise assets]

**Mark:** Aviation goes up and down, and we went through a down period a few years ago. We’re operating the aircraft, utilising them harder and longer. That brings a challenge as well, so we have to keep that very fine balance across our airline in meeting our customers' expectations, meeting our board's expectations and our shareholders'.

(Aeroplane engine noise)

[On screen: Leadership and Culture]

**Patrick:** And how much of this is driven internally? And how much of it is because you're told, "well, this is what you're supposed to do?"

**Mark:** Strategy comes all the way down from the board for us. I report through various governance processes, through into our board safety committee. Some of those KPIs come from the board, some of those we deliver to be able to meet our requirements and they're all through our CEO. So that strategy is delivered right from the top, from Qantas, and it's lived and breathed, from our board through our CEO, through all of our staff.

(Gentle music)

[On screen: Balancing people and process safety]

**Patrick:** One of the big contrasts that is made is between process safety, which in aviation, is called airworthiness. In oil and gas, it's called process safety. It comes up with various different names, and personal safety, and they're often seen as being distinct. Andrew Hopkins talked about what he called the Longford trap, where Exxon ran into problems, BP had the same problem. Do you find this a challenge for you in Qantas?

**Mark:** Definitely. Operational excellence with Qantas is been part of our DNA, and everyone understands it, and works diligently toward that. The gap around applying that same level of discipline into our safety, our people safety, is the biggest area that we're working on now. We're trying to harness that. We're trying to learn from what we do operationally, and move that into our people safety, and empowering some of our people safety committee groups to be a part of that right now.

**Patrick:** You have one advantage, which is Qantas has a brand, the 'S' for Qantas almost stands for safety.

**Mark:** Yes.

**Patrick:** But that's within Australia, but you don't just fly within Australia. You do a lot of flying 'round the whole of the world, and a lot of the work has to be done to your aircraft, away from Australia. How do you find that as a challenge, because they don't necessarily carry that Australian value that Qantas is safety nearly as well as you do inside Australia?

**Mark:** Yes. Of course, supply approval or assessment right at the very start is core to us. When we're looking at engaging with an external company that would touch our asset, we definitely go through very critical vetting process. We look for those elements of, not just cost performance, but we look at safety, we look at quality and operational excellence. And we set very tight criteria, right up front within our contracts, and then there is a level of oversight. So managing that workforce, or foreign workforce, on our planes, we have a supervision, or a direct supervision, over those entities, and we also then overlay that with an assurance program that's weighted towards the risk that that contract would pose. We have multiple layers across that. We have great reporting, from our staff, continued, that are there, that are oversighting, and from say our cabin crew, when they're flying in and out of foreign ports, they maintain the same near-miss reporting, the same culture of reporting that they have, and they'll report also against our contractors and to the same level, and we try our best to hold all of those guys to the same standard.

**Patrick:** One of the issues is the leadership that you expect. Do you try and work with your contractors outside, to identify the leaders who are going to be aligned with your values? That's a little bit tricky, I know.

**Mark:** Yes, definitely within. We look at our leadership and our talent and we map our guys against some of those core values of the Qantas beliefs. Of course, one of those core beliefs that we have is everyone has the right to return home safely. We link a lot of what we do. We link our performance, and our personal performance is linked to those core beliefs and also to the strategy that we were talking about earlier, so we can try and drive the same level of commitment, right across the levels of business.

**Patrick:** I think that's the way you have to go. You don't have the power and the strength, for instance, the oil companies have. Because the way I've experienced them operating, is that they have a very clear stamp, and basically, if you don't like their stamp, then you don't work for them.

**Mark:** Yes, and that's a great advantage that they have. For us, it can be difficult, because even though Qantas is a big fish here in Australia, in our small pond, when we go overseas, we may be flying in and out of ports where we're a very small fish. We're a very small part of the activity, or the tempo of activity at a foreign port, and therefore, we're not, sometimes, not that important to some of those areas. Sometimes, when they are the only provider of services at a certain port for your aeroplane, the competitive tension isn't there, so you can't say, "Well, if you don't do it, "I'll go somewhere else," so you have to work with a certain provider or contractor. You have to be very clear about expectations and performance. We try our best through the oversight program in the contracts, to have a bit of a stick and carrot approach in how we work with these contractors to deliver our standards.

**Patrick:** I've never really met contractors who didn't want to. It's just that they sometimes needed a bit of help. So the good news is, that what you're doing is probably about as good as you're going to do. Just keep on doing it.

**Mark:** Yes, keep on improving.

(Gentle music)

**Patrick:** One of the questions I'd like to ask you is: Is there one particular area, where you feel that your experience can tell people how to go about doing this?

**Mark:** Patrick, we've introduced our new reporting system, and with the advent of that reporting system, was an opportunity for us to be able to capture data much better, capture more granularity and to be able to understand our risks better, and that includes reporting around hazards and near-misses, of course. We use that information. We gather that up. We correlate that across with other datasets across our business to better understand what was actually happening. So, rather not just simplify the near-miss to the obvious thing, but to understand it, and then once we have done that, push that back out to the business as an opportunity to learn.

**Patrick:** How can you get people to report the right things?

**Mark:** Well, we have a great culture. We re-established the Just Culture process across Qantas, that allows people to report. I know how much self-reporting is happening, because we track, not just all the reporting, but the self-reporting, and our self-reporting is increasing. I know that the culture, the confidence, and the security that our staff has to report incidents, including incriminating issues about themselves, it's coming through, so they're happy to do that, and they do that in the understanding that we use that information to better the system, or provide a system-level assurance. It's not to go after an individual. It is to how do we best deal with this process or the issue, and then learn from it, and spread that learning, not just across Qantas, but also our other entities: Jetstar and our Jetstar-branded airlines. Collaboration is a core belief through Qantas, and it's been driven by our CEO, so now we are learning from each other. We're sharing our best practice with each airline. We're sharing our resources and understanding right across our business, to either improve safety or improve cost-competitiveness.

(Gentle music)

**Patrick:** Now that you're doing one of the things I really look for, you investigate near-misses and you treat them just as seriously as the actual incidents, when you have them, heaven forbid. And you use, I presume, the same methodology?

**Mark:** Yes, we use the same methodology. We use the same trained investigators, and we use the same processes.

**Patrick:** Now, one question, as you can probably hear from the noises and the thumps that are going on, this is a real aircraft that is going to go real places, how do you treat incidents? Do you treat them by their potential or do you treat them by their actual outcome?

**Mark:** We look at potential, we look at the consequence of that occurrence, and we measure the risk based on that potential.

**Patrick:** So, there's potential, is that the one that goes to the board?

**Mark:** Yes, it does.

**Patrick:** Yeah, 'cause that's a real characteristic with HRO.

**Mark:** Yes.

**Patrick:** It's not what happened. It's what might have happened.

**Mark:** Yes.

**Patrick:** And that keeps the board awake.

**Mark:** That's definitely so. For us, a classic example of that, around the workplace health and safety, we had lots of near-miss reports on crafts engineering where main entry doors of aircraft, are left ajar or slightly open. The perception of risk of our engineers was different to the perception of risk, or the understanding, that we had as leadership, or what that potential, so there was no fall from heights incident, however, we had numerous fall from height near-misses. My occurrence rate was going up. The potential was still there, of death, so that became a high-risk report, and through our governance committee, it goes all the way to our CEO.

**Patrick:** That's how you should do it. Respect for expertise. We at least imply it, because we're looking at the people from the top right down to the bottom. They know what's going on, and you respect them for that. A lot of attention being devoted to, not what does go wrong, but what could go wrong, and getting in there earlier. I think these are some very important messages. And the important messages we've also talked about, about leadership, and not just an operation with the already pre-set, that everybody within Australia knows about Qantas, but getting everybody else to live the message as well. But I will wish you success and finish in one last message, which is, in my experience, an indication that you're getting more reports, is not a sign that you're doing badly, but, in fact, is a sign that you're doing well.

**Mark:** Thank you, Patrick. I appreciate your time.

(Uplifting music)