

Qantas 2023 AGM report

ASX code	QAN
Meeting date	Friday, 3 November 2023
Type of meeting	Hybrid
Monitor	Rachel Waterhouse, Sue Howes, Miles Wu, and Ian Anderson
Pre AGM-meeting	Yes with Chair- Richard Goyder, Jacqueline Hey – INED, Chair of Remuneration Committee, Filip Kidon – Head of Investor Relation and Adam Luc – Senior Manager Investor Relations

Meeting Statistics

Number of holdings represented by ASA	88
Number of shares represented by ASA	415,528
Value of shares represented by ASA	\$2.1m
Total number attending meeting	TBA
Market capitalisation	\$9.3 billion
ASA open proxies voted	ASA voted against all resolutions except those mentioned below

In many ways this was a very disappointing AGM. While it was well managed by the Chair, with one exception, the outcome was that the same people (less Mr Joyce) will be in charge of doing the same things, maybe a bit better now they know what the problems are, and it is going to cost shareholders a pretty penny to fix it.

Shareholders had a clear opportunity to effect Board change at this AGM and failed to take it, with all directors standing for election or re-election being voted in (between 92% and 99%, although just under 34% voted against Mr Sampson). Mr Sampson's claim to re-election was that he brings PR and marketing skills that will help to get the company out of the massive hole it is in. We would have thought these skills would have been utilised to avoid this hole at some point in the past seven years.

The ASA voted undirected proxies against all resolutions except the re-election of Ms Hutchinson and the election of Mr Parker.

Shareholders did, however, take the opportunity to provide a protest vote on the remuneration scheme, with 82.93% against. This is a near-record against vote. Hopefully the Board will take the opportunity to work with shareholders and stakeholders to improve the remuneration plan for next year.

The most disappointing aspect of the meeting was the dawning realisation that the company seems to have missed Management 101. The way Qantas tells it, the Company only recently became aware of:

- The self-inflicted damage caused by the illegal sacking issue.
- The problems with contact centres (rudeness, difficult staff, untrained staff, poor service)
- Issues with flight credits and the blowback from trying to cancel these.

- Planes in poor condition and unclean.
- Food not up to scratch.
- Issues with flight crew (discrimination, poor service)
- Complaints handling
- Supporting The Voice.
- The seriousness of the ACCC issues.
- Amenities and cleanliness at terminals.

The reason for all this, according to the Chair, is that they opened up too quickly after COVID-19.

The CEO says they will now address all these issues and are thinking about onshoring the customer contact centre.

While trying not to bang on too much about Management 101, we would point out the following:

- It is irrelevant where the contact centre is located, what is relevant is the company's oversight of the activity via policies, staff training regimes, monitoring process and client feedback mechanisms.
- It is irrelevant that Qantas is a tenant in the Melbourne Terminal. If the cleanliness is an issue and there are no basics like access to drinking water where people must wait to exit, it is up to Qantas to identify and address these issues, via the landlord if necessary.
- Qantas is well aware of staffing ratios, food, cleanliness and service standards. They provide it to members of the Chairman's Club (an exclusive full service offering to handpicked members of Australia's elite) every day.
- A question was asked by a shareholder about how many of the Board or senior management had travelled economy class without special access and upgrades in the last year and only one Board member was able to put up their hand. It's called eating your own cooking and anyone running a business should ensure they do it regularly.
- Jetstar and Qantas came in at numbers 13 and 14 on the list of most complained about companies in 2019. If we add the complaint numbers together (as essentially these are the same company) Qantas would rank equal second on the list.
- The company policies causing a good deal of grief to both consumers and now the Company, did not change due to COVID (COVID specific flight credits aside).
- Surely training of staff should be a priority on re-opening once the company is no longer dealing directly with COVID issues.

We shouldn't have to point this out to a Board and management team paid at these levels.

The other disappointment was the handling of a shareholder question around the timing of Mr Joyce's share sale and who knew what. Qantas desperately needs all the good news it can get at present and the optics of this were awful, drawing catcalls from the audience and broad condemnation in media reports afterwards.

Shareholders are entitled to ask legitimate questions and have them answered. We, too, have been wondering whether ASIC is going to take a look into this particular issue. If the Board were unaware of how serious the ACCC issue was when they took this decision, why not just say this? Although to be fair it is likely this wouldn't have been well received either but it couldn't have been worse.

The AGM webcast is available to watch [here](#).

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