

The background of the cover is a photograph of a white Kiwi Airlines aircraft on a runway. The aircraft features prominent red and white stripes along its fuselage. The nose and cockpit area are visible on the left. In the bottom right corner, there is a portrait of a man with short, light-colored hair, wearing a light-colored shirt and a tie, looking directly at the camera.

# Dogfight

*Ewan  
Wilson*

THE INSIDE STORY OF THE  
KIWI AIRLINES  
COLLAPSE

From a career in the Air Force to back-packing around Europe and the US, from reluctant marijuana dealer to unwitting felon, from small-time travel agent to chief executive of New Zealand's second international airline, Ewan Wilson reached heights that many dream of but few achieve.

And then his world, and his airline, came crashing down.

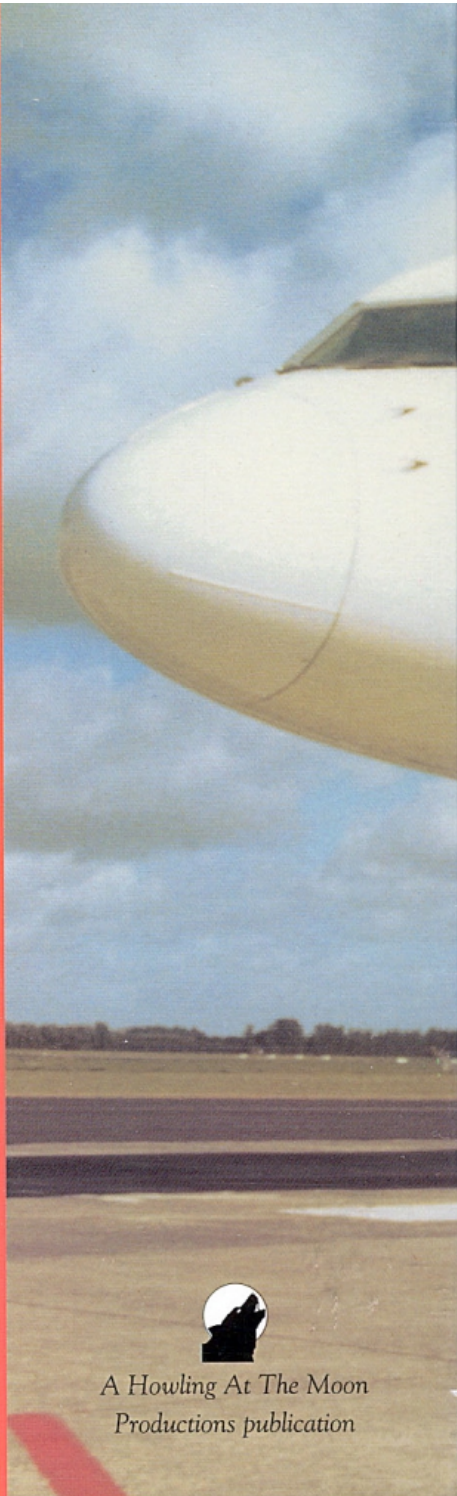
*Dogfight* offers a unique insight into the multi-million dollar collapse of Kiwi International Airlines, which left thousands of Australian and New Zealand travellers grounded with worthless tickets. Was it management failure? Growing too fast? Competition from the big boys? Sabotage? Or a combination?

You be the judge.

ISBN 0-9583568-2-3



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A Howling At The Moon  
Productions publication

## Chapter 19:



## Where The Rubber Meets The Road

On 14 October, Kiwi was flying into Sydney, Australia, with a full load of passengers. It was about three-forty in the afternoon and the 727 was cleared to land. The aircraft touched down and immediately smoke billowed from the number three and four tyres. Bang. Bang. The tyres blew.

The aircraft slithered to a halt, right in the centre of the active runway, which is also the intersection with the other runway. Four carriers, Qantas and Air New Zealand included, following behind us, had to circle over the city for forty minutes, burning precious fuel. My heart bleeds for them.

The incident sparked a number of jokes within the industry. Qantas staff, for example, were reputed to have said: “We would like your pilots to come and teach our pilots how to park.” I can laugh about it now.

When the aircraft came to a halt the pilots identified there was no fire, but the freshly qualified attendants went to evacuation status, waiting for the “Evacuate, evacuate” command that never came. They had their first taste of adrenalin.

Buses took the passengers into the Sydney Airport to be debriefed by Federal Aviation Corporation security. The FAC was so effective in clamping down on the story that the media got really, really angry. I swear to God, they started making it up.

*National Nine News* that night titled its story “Terror on the Tarmac”. One reporter called me, really excited, and said, “I hear you blew eight tyres.” I told him that would have been an amazing feat because we only had six tyres on the entire plane.

The aircraft wasn’t able to be moved for three hours. Ansett lent

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us two tyres to get the aeroplane moved and they and Qantas helped get it off the runway. The minute the aircraft was dragged off to one side, they didn't want to be involved any more. This was sad, because Ansett Australia operated a fleet of 727s and they could have helped us. We would have paid anything. Their excuse for not helping us was that they were understaffed. That was bullshit – to my mind they just didn't want to help us out. We were instant income for their maintenance department which was supposed to be a separate profit-driven business unit. But they claimed we were competition. They weren't flying internationally, so this was hard to understand. Their refusal to help us hurt.

It took us eleven days to fix the aeroplane and we had to put our passengers on other carriers – Qantas, Air New Zealand, Eva Air, Malaysian Airlines. Nobody gave us a deal. Malaysian and Eva were kindest but Air New Zealand whacked us as much as they possibly could. Qantas was always in the middle, charging us between \$300 and \$400 for a one-way sector. Most of these passengers had paid less than \$400 for a return passage. It cost us half a million dollars to move these passengers and it nearly broke us. But it silenced our critics.

These were the critics who said we would never get the licence. That I would run off to South America with all the money. Who said, when we got the licence, that it was a miracle and it won't last, and the first time anything goes wrong we would abandon the passengers. They were wrong.

We acknowledge we inconvenienced some passengers, by as much as 24 hours. Most of them we moved within six hours of their scheduled times, by busing people to Auckland and vice versa; and by paying for them to go on other carriers. An elderly lady called to tell me she thought I was the greatest. She had booked "Nuts and Cola" on Kiwi but she had ended up on Qantas and they gave her a meal.

The jokers were at it again. "How do you get a cheap airfare on Qantas and Air New Zealand? Book Kiwi!" Some people were so angry at the inconvenience, but their delay was short – five or six hours. When you compare that with what happened lately with volcanic ash, fog and other mechanical problems, it was really a small delay for most of them.

## Chapter 20:



## Where Everyone Gets A Bargain

**A**mong those disrupted by the tyre blow-out were passengers flying on special charter flights organised for major New Zealand discounter The Warehouse. The Warehouse idea came from Justin Burke, a travel agent for “Travel for Less” in Auckland. He’s a South African and a wheeler and a dealer. We had completed a one-off charter for Sports Abroad, taking the Warriors to Australia, so we had some legitimacy there. Justin had worked with The Warehouse before and said he would put the idea of charter flights to them.

I wasn’t convinced that it would work. When lawyers became involved and contracts were starting to be drawn up, I realised it might become a reality.

We priced it very low to get utilisation and cashflow. We would have made some money had we been able to complete all the flights. But the Sydney tyre blow-out meant we eventually lost money. The Warehouse was making a bold statement. They were a recently floated company getting involved with a new fledgling airline. We were very proud of that and I regret to this day how it turned out.

The tyres blew on a Wednesday and the first Warehouse flight was on a Saturday. We had to cancel it. Then we had to cancel the next one. It was embarrassing and very difficult for The Warehouse. I felt physically sick about the whole thing. The initial report was that we’d have the aircraft fixed in four days. Wrong.

When we were forced to cancel the first flight, The Warehouse asked what were we going to do for their passengers. “Nothing,” I said. “It’s your charter.” Why couldn’t we put The Warehouse passengers on other carriers like we were doing with our scheduled passengers? I told The Warehouse that the passengers we were putting on other carriers had booked through us and paid full fares. They

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were our responsibility. The charter passengers were theirs. We had a responsibility to provide the aircraft, but this was *force majeure*. We couldn't control it. They accepted that.

To compensate we offered every Warehouse passenger from the cancelled flights a free flight on Kiwi to any one of our east coast destinations in Australia. So we did look after their passengers in the end, although it was a terribly bumpy and difficult road we went down.

The Warehouse deserves a great deal of credit. After the first flight was cancelled I managed to reassure them that I wasn't going to let them down a second time. Of course, I had to. I met Stephen Tindall on the day we brought the aircraft back from Australia and we were waiting for the replacement gear door to arrive.

He openly admitted that The Warehouse had spoken with Air New Zealand and Qantas, to see if they would do the flights. But they weren't willing to match the fares, at all. "So, in some ways, it's cheaper for us to stick with you," we were told. It was still a big call for them.

AvAtlantic controlled the repair process, because it was their aeroplane, and their licence. Within 24 hours they had inspected the aeroplane to try to identify what the problems were. It was confusing because, when the fire brigade turned up, neither the tyres nor the brakes were hot.

The brakes hadn't jammed on. This automatically indicated there was an anti-skid mechanism problem. The anti-skid mechanism activates after touch down if the aircraft begins to skid. It releases the brakes until the skidding stops and allows the brakes to grip again.

Surveying the damage, we found the exploding tyres had ripped off the gear door, damaged a flap, and possibly caused a whole lot of crap to be ingested by engines.

When Ansett said they wouldn't help us with their facilities, it nearly broke my heart. Qantas said no. DHL couldn't help, because they didn't have the infrastructure. The only place that would help us was a company at Avalon, just south of Melbourne, near Geelong. After two days we were eventually given authority to fly the aeroplane to this maintenance facility.

We couldn't put the flaps down and we couldn't bring the under-

carriage up, so we took off and limped, at a very reduced speed and a very low altitude, to the only independent maintenance facility in Australia. The Australians worked hard to fix the aircraft in the beginning, but then an industrial problem slowed it down.

We had to bring in four American engineers. The Americans ordered a lot of spare parts from the States and they slowly started to arrive. The initial indication was that it would take three or four days to fix the aircraft. Ten days later, it was still there.

On day four of the crisis, Mike Tournier and I took off to the States to try and convince AvAtlantic to send a replacement aeroplane. We didn't want to wait for them to fix the damaged aircraft. We left Patrick, poor Patrick, to try and juggle the mess at home.

We flew up to Rochester, New York – the hole of all holes – because that's where the owner of AvAtlantic, Larry Grew, was staying on business. We met in a seedy little hotel, somewhere in Rochester, with Larry Grew, his elderly wife and his daughter. We pleaded with them for another 727.

They said they had information the aeroplane was going to be up and running in 24 hours. I told them if that was the case then we didn't need another one. The flight up couldn't be considered a complete waste of time, however, because we were able to deal with a number of other issues. At that meeting he agreed to pay the costs of the additional flying time across the Tasman because of the GPS navigational issue, even though there was never a bloody issue in the end.

We went back to the hotel and, because I'm paranoid, I didn't believe the Grews. I made a call to the Avalon maintenance centre and asked the American engineer how long it would take to repair the aircraft. "We are going to be here another four or five days, no doubt."

I phoned Larry Grew and said I believed he had lied to me. He said, "All right, all right. We'll get you another 727." I asked where it was coming from. He said he would give us one flying out of Mexico to Miami and Baltimore and that it would be able to leave for New Zealand the next night.

"Excellent," I said, "but I want to be on it."

Grew told us to make our way to Fort Lauderdale to pick up the

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plane. After a connecting flight to Washington I called the Grews again and they said it was still on. I phoned AvAtlantic's operations centre in Savannah. Yes. There was a flight and it would leave that night from Florida. They said why didn't we drive to Baltimore and catch the plane there in about three hours' time. It would fly to Fort Lauderdale, and pick up the crew who would fly it to New Zealand.

I phoned Patrick and said, "Patrick, mate. We're bringing home a new aeroplane."

"Thank God," he said.

I told him we would be there in two and a half days. The nightmare was nearly over. Mike and I rented a car. Mike is one of the funniest men I've ever met. He says the most stupid things in the most difficult moments. For example, he would step out of the shower in our shared hotel room and say, "I feel like a new man: you'll do!"

He's ex-Army and a really bright cookie with all these funny, funny stories. He navigated us from Washington DC to Baltimore like it was a military operation. As we were driving along the highway he would say, "All right, in four point five kilometres we will do a turn to the southeast, and our ETA is 1400 hours," complete with all the appropriate gestures. It was fun and we needed it, because we were exhausted and very stressed out about what was going on at home.

Everything was arranged for us when we got to Baltimore. Immigration and Customs knew we were joining a dead-heading flight back to Fort Lauderdale.

The flight came in half an hour late from Mexico City. The crew got off and I asked if we were on our way.

"We're on our way to Savannah any minute now," the pilot said.

I said we were going to Fort Lauderdale, not Savannah. He insisted that we would be flying to Savannah. When I told him that we were supposed to be going to Fort Lauderdale, the pilot said he didn't know what was going on but he had been told to take the aeroplane to Savannah and that's what he was going to do.

I picked up the phone and called operations in Savannah, wanting to talk to the Grews. Ed Grew, the son of Larry Grew, was there and said we had a problem. The aeroplane didn't have the two HF radios



necessary for long distance flights over water. "Find another one," I said.

"We only have six in the fleet and you've already got the best one."

I asked whether they had another radio. He said they did, but it had to be wired in properly and that could take four or five days. The engineers would check the plane at Savannah to see if it already had the wiring in it. "Come on down to Savannah and we'll work it out."

When we arrived in Savannah we expected to see a lot of people there – the new crew flying the aeroplane down to New Zealand, the engineers waiting to put the HF in. Apart from one person to marshal the plane in, there was nobody else at the airport. There were no messages for us.

I walked into the operations centre and said to the sole person there, "This aeroplane is going to New Zealand."

"Not according to me," he responded. "It's not on my flight plan list."

I was just dumbfounded. For the first time in my life I saw Mike lose his temper. I thought he was going to deck the operator. The poor ops guy didn't know what the fuck was going on.

"Get Larry Grew on the phone," I said to him.

"He's unavailable."

"All right then," I said, "Get me Sheryl Grew." The Grews are an interesting family. Elizabeth Forrester (she has changed her name by marriage) is very attractive, very intelligent and not a bad lady. She is a logical thinker, and I think she is fair.

Sheryl Grew is one of the hardest people I've met. She's a tough cookie. Nothing, but nothing, scares her, I'm convinced of that. I called her in the middle of the night.

She said, "Ewan, I'm sorry, we just can't do this."

"What do you mean?" I asked.

"The plane doesn't have HF. It doesn't have the long range navigation equipment. The FAA won't let us fly without certification."

I said why don't we just take off and go to Honolulu first? At least make a start!

"We can't do that," she said.

"That's not good enough," I told her. Throughout the night we spoke to different members of the family. None of them would help

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us. We had been lied to. In tears, I called Patrick, and said, "Patrick, I'm sorry. I thought we had this aeroplane, I can't pull it off for you."

Patrick said, "Okay. That's all right. I'll sort it out back here again." Of course, he had to tell all those passengers who had been told that the flights would operate, that there was no plane and they will have to fly Qantas.

At this stage poor Patrick was running out of cashflow. His credit card was above its maximum and none of the carriers would give us credit. They all wanted to be paid immediately. Patrick was having to pay up to \$80,000 a pop in both directions – \$160,000 a day on his bloody credit card. American Express were beginning to get really worried, and they were calling up, demanding payment. Poor Patrick.

Mike and I went to a hotel for a two-hour sleep. When we went back to the airport we bumped into the pilots who were supposed to be flying us to New Zealand. They were still convinced they were going.

We phoned Sheryl Grew without joy, but we were able to meet with Elizabeth. She told us it wasn't going to happen and our only hope was to get the plane in Melbourne repaired. All the parts were there bar two, a fuel pump and a switch for the anti-skid mechanism. Would we be willing to take these two parts back to Melbourne? If we did, the plane would be up and running, and our problems would be over.

"That's the best news I've heard for the last seven days," I told her. The parts were arriving at midday, and meantime she would take us to brunch. She also agreed to pay for our tickets to Los Angeles to connect with our United flight. We went out for brunch, Mike, Elizabeth and I, and it was tremendous.

Savannah is not an unattractive town. Parts of *Forrest Gump*, the movie, were filmed there. There is something really attractive about the southern states. After brunch we drove back to catch our flight. "Give me the parts and we'll be on our way," I said. But one of the parts hadn't turned up. Now Elizabeth was getting angry.

"Where the hell is this part?" The shippers lost it, she was told. "You can't have lost it. It's only an hour's flight from Atlanta to Savannah. How could you lose it?"

"We can't find it." I couldn't believe it. The engineering guy said it

was possible to get another part from the Boeing factory in Seattle and have it flown to Los Angeles to meet with us there.

“You people have lied to me about replacement aeroplanes,” I said. “You told me about parts that never arrived. How do I know you’re not lying now?”

Elizabeth looked at me and she said, “Ewan, I promise you. I will get you this part in Los Angeles.”

I said give me the waybill number and show me how it’s going to get from Seattle to Los Angeles. Half an hour later they said Boeing had put the part on an Alaska Airlines flight arriving in Los Angeles at eight o’clock that night. We were leaving Los Angeles at eleven to fly back to New Zealand and on to Melbourne.

As Elizabeth drove us to the airport I was so depressed. I thought the relationship with AvAtlantic was over. Their top management wasn’t talking to us by now. Elizabeth was one of the family, but they just ignored her.

When we said goodbye, Elizabeth said, “Trust me. The part will be in Los Angeles.”

The agent who had pulled this whole deal together was at Los Angeles Airport to meet us. I could have throttled him. I said, “How could you fix us up with this Mickey Mouse operation, AvAtlantic?” I was furious.

The flight came in from Seattle, on time, but the two boxes didn’t appear when the bags came off. We went to the cargo depot for Alaska Airlines and I have never been so scared asking for two pieces of cargo. My whole life was in those boxes.

“Two boxes for Kiwi Air, please, off your Seattle flight,” I asked the grumpy, obviously overworked, underpaid cargo person.

“I don’t have any.”

“Check again.”

“I don’t have any!”

“Look here, sir. Check again!”

He disappeared for quite a while, then he came back with two boxes. He said, “Sorry. We found them. They were under some boxes out the back.”

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I ripped the boxes open like they were a Christmas gift. Inside were two tiny parts. I put them in my briefcase and locked it. My sense of relief was enormous. When we checked in for our flight back to Auckland we found that United had been really kind. United, as a company, didn't acknowledge our existence, but the people at the coalface at Auckland Airport were really nice. They had obviously put a message into the computer about us and we were upgraded to business class. It was a small thing, but it was really appreciated. I remember sitting in a business class seat listening to some music as they were pushing us back. All I could think about was home. And the two little parts that were going to get Kiwi back into the air. This whole nightmare would soon be over. I couldn't help but have tears in my eyes.

Twelve hours later we arrived in Auckland. Mike had to go back to work as an air traffic controller. I carried on to Melbourne. On arrival I was scared Customs was going to haul me over the coals about these two parts. I kept my mouth shut. I was just desperate to get this bloody aircraft fixed. But there were no problems.

Terry Phillips, chief pilot for AvAtlantic, was there to meet me. I saw him and all the guys from Hamilton Aero who had come over from Hamilton to help fix the aeroplane. They were going back to New Zealand on the same plane that I had come in on.

"Guys, I've got your two spare parts." They were glad to see me, but I could see that they weren't too excited. I asked why they weren't more enthusiastic and they said I wouldn't believe it.

"What?"

They told me they had put everything back on the aeroplane and closed it up. The only things left to do were to put in the parts I had brought back and put the gear door back.

"So?" I probed.

They told me we had the wrong gear door. The engineer, ten days before, had ordered a 727-100 gear door and we had a 727-200. The gear door didn't fit.

We drove to Avalon where they took the two parts from me. Once they were fitted the engineers said everything was ready to go apart

from a slat, a covering for one of the fairings when the flaps come down. And the bloody gear door.

"I don't believe this," I muttered.

The new gear door was on its way from Miami but it was going to take 36 hours.

"What are you doing? Sending it by camel?"

"No, Aerolineas Argentinas. It's going Miami, Buenos Aires, Sydney. When it gets to Sydney, it's coming down to Melbourne."

"Who the hell worked that out?" I said.

"It's the best we could do."

I asked why we couldn't fly the 727 to Auckland and intercept the door there – it would save us a day. The engineers looked at each other and said, "That's not a bad idea. We could do that." I told them to get on the phone and tell Miami that the shipping orders should now say Auckland.

"The plane has already taken off."

"Well, let's just go to Auckland, anyway," I said.

Most of the day, I was on the phone, trying to deal with The Warehouse. Because, not only did we have the problem of our own flights, we had also been contracted to do these Warehouse shopping charters. The poor Warehouse. I felt so sorry for them, because we had let them down. They were being very reasonable about it. I was walking outside the huge maintenance facility in Avalon, pleading with them to give me another chance. I would have the aircraft up and running by next weekend.

"We've already had to cancel two flights in a row. You said it was only going to be one. You've let us down a second time. Can we take your word for the third time?"

"Gentlemen. Please. I should be back in New Zealand within twenty-four hours with the aeroplane."

Was it going to be up and running, then? "No," I said. "We've got a few technical problems. We don't have a gear door."

"All right," they said. "We'll trust you."

We had to get permission from America for authority to fly the aircraft without a gear door back to New Zealand. I had to plead for

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it. Eventually Boeing approved it, and AvAtlantic said we could do it. When the authority came I said to the chief pilot, "What about this fairing?"

"It's cosmetic. It won't be a problem." We took off and arrived back in New Zealand early in the morning. We went to the hotel where I slept for most of the day. That night I really believed it was going to be the last hurdle cleared. The plane arrived only half an hour late. We dragged the gear door off, packed in a huge box, and Customs cleared it for us quickly. It was the right part, and it fitted perfectly. Thank God. We were back in business. Or so we thought.

One of the engineers said, "I can't sign this aeroplane out. The fairing's missing."

"But it's just cosmetic," I argued.

Boeing wouldn't agree to the plane being signed out without it, I was told.

"You ask Boeing," I said.

Boeing came back and said no. We couldn't fly with passengers without the fairing. One of the staff suddenly had a bright idea.

"We could fix the damaged one," Monique said. What a good idea. Where was it? She said we had left it back in Avalon. We called Avalon to see if they could find it. They did. I rushed into Qantas at Auckland Airport and made a booking on a late flight, Melbourne to Christchurch. I paid for it on my credit card and Qantas confirmed it as a PTA. This meant the engineer in Melbourne could pick the ticket up at the airport and fly to Christchurch with the fairing.

I arranged a Lear jet in Christchurch to meet the plane when it arrived at one in the morning and fly the part up to Auckland. Hamilton Aero could fix this broken cosmetic part and put it back on. We'd be back in business. I phoned Avalon and told the engineer to hightail it to Melbourne Airport.

Half an hour after the departure time of the proposed flight ex-Melbourne the engineer phoned and said he had missed the flight. Qantas had told him the ticket wasn't paid for. I went back to the Qantas counter at Auckland Airport, and said "I paid for this seat." The Qantas counter clerk agreed. "Well, he's just been denied board-

ing.” She checked the details on her computer terminal. “Oh, sorry, I didn’t send the right message.”

“How could you do that?” I asked. She said she was sorry but it was just a glitch. I definitely had paid for the ticket. “Give me a refund,” I said.

Bill Good, one of the American pilots with us in Hamilton, was with us at Auckland Airport that night. Bill Good was a fighter pilot in the Vietnam war. I remember one day in Hamilton, when the weather was really bad, we called him on the company radio and said, “Bill, how do you feel about the weather? A lot of other aircraft are diverting.” He came back, “Are they shooting at us down there?” “No.”

“Then I’m coming home.” Out of this awful weather came the 727, making an immaculate landing at Hamilton Airport.

Bill said he had a solution. A cargo 747 which has just arrived was going to Melbourne. “I’ll see if I can talk to the captain and get on it.” He did. In Melbourne he found the engineer with the fairing slumped over an airport seat.

Bill picked it up and caught the same plane back. But by now we were another day out of action. Hamilton Aero brought up their tools. It took them an extra day, but they were able to panelbeat the slat and fit it back in place. When the American engineer turned up (he was never there to do any work, this guy; he was only there to certify things) he said, “Goddamn. You did a good job on that. Yes, I’ll certify it.”

That night, it was all fixed. We flew the aeroplane back to Hamilton, arriving about midnight. The eleven-day nightmare was over.

Looking back now, the Royal New Zealand Air Force played a huge role in helping us out. When we brought the aeroplane back to Auckland to have the gear door fitted, we needed to lift the aeroplane up to make sure that the gear door would work. Nobody else would lend us the equipment, other than the Royal New Zealand Air Force. It came out on a big truck, with real military precision. The Air Force also sold us tyres we needed, which was absolutely wonderful.

Aviation Security were very helpful on the day in Auckland, giving

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us all the flexibility we needed, and Customs went out of their way to clear things. So, on one hand, while we had Ansett, Qantas, and Air New Zealand who were not prepared to assist us, there were people who were doing everything that they could to help. The silver lining to the nightmare was that it had established our credibility. We had been able to cope with a major crisis.

Once we had the aircraft up and running again, one of the issues we had to resolve was how could we recoup the lost half a million dollars caused by the passenger reshuffle. We went to AvAtlantic and told them we expected them to pay. They said no. It was an act of God.

We started our own investigation into the incident. In Sydney, on one of the overnights, one of our engineers discovered that a \$36 switch was faulty. He reasoned that if a particular chain of events occurred it was possible that the brake system could malfunction when the aircraft touched down.

When the pilot sets himself up for landing, he gets his feet ready on the rudder pedals. Touching the top of the rudder pedal in an aircraft puts the brakes on, but the anti-skid mechanism should release them. That's when the faulty switch came into play.

We later blew another tyre landing in Hamilton and it was the same first officer on each occasion. He must have had a routine that he went through, which usually wouldn't have mattered. But, because of all of the other events in the chain, and the faulty switch, when he did that on these two occasions, it locked the anti-skid mechanism. When the tyres touched the ground ... bang!