

## PROLOGUE

Qantas could easily have become a small footnote in history early last century when two returned war pilots travelled to Sydney to pick up its first aeroplanes. Hudson Fysh and Paul ‘Ginty’ McGinness served in the trenches at Gallipoli during World War I, before becoming mates in No.1 Squadron in the Australian Flying Corps. On January 21, 1921, the co-founders of the airline were living an adventure in Australia as they set off from Mascot aerodrome in Sydney. McGinness was flying an Avro, and Fysh a BE2e biplane in which he had clocked up just thirty minutes. Flying in tandem, the pair lost visual contact as clouds rolled in north of Sydney on the way to their first stop in Newcastle.<sup>1</sup> With an uneasy feeling in his stomach Fysh decided to fly through the darkening clouds, hoping he would quickly emerge into clear sky on the other side. But he soon realised it was the wrong decision. Before long he was on the verge of losing control of the plane as he tried to fly under the clouds, which he hoped were not shrouding hilltops. In an instant he hit a clear patch of sky to discover he was in a valley with clouds hugging the ground. After finally regaining control, he touched down on a hillside, careering through bushes and eventually coming to rest near a miner’s cottage. Fysh and his passenger, Arthur Baird, had narrowly escaped disaster.

The rich history of the Queensland and Northern Territory Aerial Services stretches back to a lounge in the stylish Gresham Hotel

in Brisbane in August 1920. Around a glass-topped table, Fysh, McGinness and Queensland grazier Fergus McMaster cemented plans to form a company to offer air services to the region. They were adventurers in every sense of the word, literally flying by the seat of their pants. Three months later – on November 16, 1920 – the founders signed papers in the Gresham Hotel formally registering as a company that was to become known by the acronym QANTAS, and based in the small central Queensland town of Winton. Little did they know that what they founded within just two decades of the Wright brothers' first flight would become the world's second-oldest airline after Dutch flag carrier KLM. Australia's geographic isolation and the difficulty of traversing its big, wide-open expanse explained why people quickly cast aside their concerns about unreliable flying machines in the early twentieth century to travel by air. Parts of western Queensland where Qantas was born often became difficult to pass overland during wet periods. Many parts of the state lacked roads and bridges. An air service offered a way over the onland barriers.

Qantas soon shifted its base from Winton to Longreach, and later to Brisbane, before settling on Sydney where it remains today. In the process, Qantas became indelibly linked to the Australian psyche. It connected the country to political and business capitals on the other side of the world in Europe and the United States. Australians' passion for aviation has grown in tandem with the airline since the early days of the World War I veterans who founded Qantas. It helped the country to tackle the tyranny of distance. Later nicknamed the 'Flying Kangaroo', the airline has become etched in popular culture. Playing the autistic Raymond Babbitt, who feared flying, in the 1988 film *Rain Man*, Dustin Hoffman remarked to his brother, who was trying to coax him onto a plane, 'Qantas. Qantas never crashed'. While glossing over plane crashes in its early years, the reference helped cement Qantas' place in history. As the national flag carrier, Qantas' reputation was strengthened as it mounted missions to rescue Australians from far-flung parts of the globe. At home in 1974, it

achieved a world record at the time for cramming the most number of people onto a Boeing 747 jumbo during a rescue flight from Darwin following Cyclone Tracy. The airline became one of the few Australian companies to become known globally.

As it nears its centenary, Qantas has reached another fork in the road. The country's once-dominant national carrier has become an airline in decline. After the collapse of Ansett in 2001, Qantas was handed a near monopoly in the country's domestic air-travel market. Today it lurches from crisis to crisis as it is buffeted from all sides – and from within. The story of the decline of Qantas has all the hallmarks of a modern corporate tragedy. A multitude of factors have brought Qantas to where it is today – management missteps, the rise of a challenger, big egos fighting for the right to chart its path, a company of tribes resistant to change, and the opening of Australian routes to the world. After taking the reins in 2008, the Qantas chief executive, Alan Joyce, became a polarising figure. To his supporters, he tackled problems his predecessors were unwilling to confront. To his critics, he presided over an irreversible shrinking of the airline. His unprecedented decision to ground the entire Qantas fleet in late 2011 to break an industrial dispute divided the nation and made him a household name. He earned plaudits from the big end of town, but many travellers and a large slice of the airline's workforce deemed Qantas' action union busting from another era. Behind Joyce sat Leigh Clifford, the Qantas chairman who never shied away from a fight. As the aviation reporter for the *Sydney Morning Herald* since early 2008, I have covered Qantas' every step and met and interviewed its chief executive on numerous occasions. But neither Joyce nor Clifford would be interviewed for this book.

The airline's predicament echoes that of Australia, a country at the crossroads. As much as Qantas has grappled with a rewriting of the rules governing aviation, the lucky country is dealing with the challenges of globalisation in the twenty-first century. Qantas is an airline that evokes passion like almost no other. Everyone has an opinion

on how it should be run – politicians, shareholders, unions, travelers, the media, the airline’s board, executives and workforce, and part of the wider Australian public that still believes Qantas remains in the nation’s hands two decades after government ownership ended. History helps to tell us why Qantas is where it is today, and gives us an insight into its path ahead. Rod Eddington, a former chief executive at Ansett and British Airways, remarked: ‘There are no new ways of going broke; only old ways that keep getting revisited.’<sup>2</sup>