

CAB Min (01) 28/5

Air New Zealand

On 10 September 2001, following reference from the Cabinet Policy Committee (POL), Cabinet:

- 1 noted that POL on 5 September 2001 had been briefed by the Minister of Finance on the latest situation relating to the recapitalisation of Air New Zealand;
- 2 noted that Air New Zealand is to announce its financial results for the 2001 year by 13 September 2001, and that it is in the interests of the company and New Zealand that it be able to present a credible strategic plan to the market at that time;
- 3 noted that the final configuration of any regulatory package that may be needed to implement any such plan is highly dependent on its details, and that until such time as they are settled, Cabinet is unable to progress a decision on required regulatory consents;
- 4 noted that the form of any recapitalisation and restructuring package remains extremely fluid;
- 5 noted that it is likely that the Australian government will need to play some role in facilitating the development and implementation of a strategic plan;
- 6 noted that POL had agreed it was therefore appropriate for the Minister of Finance to talk to his Australian counterpart, and that an opportunity to do so would arise at the APEC Finance Ministers meeting on 8 and 9 September 2001;
- 7 noted that POL had agreed that no further decisions will be taken, or announcements made, until the options and the implications of them have been clarified;
- 8 noted that, in the context of a detailed discussion on Air New Zealand's recapitalisation options, Cabinet had:
 - 8.1 authorised the ad hoc group of Ministers established by Cabinet on 30 July 2001 (the Minister of Finance (lead), Prime Minister, Deputy Prime Minister, Minister of Tourism, Minister of Commerce and Minister of Transport) [CAB Min (01) 23/20] to have Power to Act on matters relating to the recapitalisation of Air New Zealand, if required; and
 - 8.2 invited the Minister of Finance or the Associate Minister of Finance (Hon Trevor Mallard) to report to POL on 12 September 2001 on any decisions taken by the Committee under Power to Act, and on the latest developments [CAB Min (01) 28/18].

Secretary

References: CAB (01) 504; POL Min (01) 23/7; CAB Min (01) 28/18

Secretary's Note: *Cabinet amended paragraph 8. This minute accordingly replaces POL Min (01) 23/7. It should be read in conjunction with CAB Min (01) 28/18 which records Cabinet's decisions from its discussion of Air New Zealand's recapitalisation on 10 September 2001.*