

Statutory Manager Option

- Government appoints statutory manager for Air NZ (via an Order in Council), on the recommendation of the Securities Commission (MED link here)
- Simultaneously Ansett directors appoint a liquidator for Ansett Australia– Ansett ceases trading
- Government indemnifies statutory manager for allowing Air NZ to continue trading
- Statutory manager makes arrangements for Air NZ to continue trading (eg, negotiating the continuation of aircraft leases, employment of staff on contracts without redundancy)
- Ansett creditors make claim against Ansett liquidator
- Ansett liquidator makes a claim along with Air NZ creditors against the Air NZ statutory manager
- Statutory manager seeks bidders for purchase of Air NZ's business(es)
- Ansett liquidator and Air NZ creditors paid out from proceeds of sale

Risks

- Trade creditors who supply Air NZ and/or Ansett seeking immediate settlement of debts from the statutory manager (eg, aircraft lessors, aircraft financiers, fuel suppliers, airports, catering firms, MRO and other essential services)
- A risk that Air NZ's leased aircraft are seized before ongoing leases are negotiated.
- Uncertainty leading to cancellation of bookings by passengers, with adverse impacts on Air NZ's working capital
- Possible disruption in Australia where Air NZ shares services with Ansett (eg, CRS & distribution systems, ground staff, lounges, MRO)
- Statutory manager may parcel up Air NZ assets for sale rather than selling the enterprise as one business (though this is considered remote)
- The sale of Air NZ may be hampered by (1) lack of bidders (2) bidders whose other interests raise competition concerns (3) bidders who are seen as unsuitable (4) bidders who may demand that the Crown enters the deal as an equity partner