

The Treasury

Airways Corporation of New Zealand Limited COVID-19 Information Release

January 2022

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Cabinet Document Details

Title: **Cabinet Minute: DEV-20-MIN-0140: Airways Corporation of New Zealand Ltd:
Establishment of Uncalled Ordinary Share Capital Facility**

Date: **22 July 2020**

Creator: Cabinet Office

Information Withheld

Some parts of this information release would not be appropriate to release and, if requested, would be withheld under the Official Information Act 1982 (the Act).

Where this is the case, the relevant sections of the Act that would apply have been identified.

Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

Key to sections of the Act under which information has been withheld:

[25] 9(2)(b)(ii) - to protect the commercial position of the person who supplied the information or who is the subject of the information

[34] 9(2)(g)(i) - to maintain the effective conduct of public affairs through the free and frank expression of opinions

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- 6 **noted** that capital injections via an uncalled ordinary share capital facility are preferred over any debt arrangement [25]
- 7 **noted** that there is a possibility that Airways may not need all of the \$95 million or may require further, on-going support, depending on the speed of recovery of the aviation industry;
- 8 **noted** that shareholding Ministers will send a letter to Airways' board setting expectations regarding prudent financial management;
- 9 **agreed** to provide Crown financial support to Airways of \$95 million over two years by establishing an uncalled ordinary share capital facility;
- 10 **approved** the following changes to appropriations to give effect to paragraph 9 above, with a corresponding impact on net core Crown debt:

Vote Finance Minister of Finance	\$ million increase/(decrease)				
	2020/21	2021/22	2022/23	2023/24	2024/25
Non-departmental capital expenditure COVID-19: Capital injections to Airways New Zealand	45.00	50.00	-	-	-

- 11 **agreed** that the change to appropriations for 2020/21 above be included in the 2020/21 Supplementary Estimates and that, in the interim, the increase be met from Imprest Supply;
- 12 **agreed** that the expenditure incurred under paragraph 10 above be charged against the COVID-19 Response and Recovery Fund established as part of Budget 2020;
- 13 **authorised** shareholding Ministers to give effect to the capital injection by establishing an uncalled ordinary share capital facility through a shareholder resolution.

Rachel Clarke
Committee Secretary

Present:

Rt Hon Winston Peters
Hon Kelvin Davis
Hon Grant Robertson (Chair)
Hon Phil Twyford
Hon Dr Megan Woods
Hon David Parker
Hon Stuart Nash
Hon Jenny Salesa
Hon Damien O'Connor
Hon Shane Jones
Hon James Shaw
Hon Eugenie Sage

Officials present from:

Office of the Prime Minister
Office of the Chair
Officials Committee for DEV