ATTACHMENT A.

SCHEDULE OF DOCUMENTS FOI 24-423

* Note: some of the documents in the schedule contain information that was provided to the Department, or recorded by the department, but may not be factually correct.

No.	Date of	Document description	No of	Decision	Provisions of
	document		pages		the FOI Act
1.	20/04/2024 10:16	Email – Department to Minister's Office and SES	2	Access refused	s 47E(d) s 47F s 47G(1)(b)
2.	20/04/2024 11:44	Email – between Department SES	3	Access refused	s 22 in part s 47C in full
3.	20/04/2024 13:19	Attachment – 240420_Bonza Brief ¹	5	Partial access granted	s 22 s 47C
4.	20/04/2024 13:52	Email – between Department SES	2	Partial access granted	s 22 s 47C
5.	21/04/2024	Ministerial Submission – MS24-000703	7	Partial access granted	s 22 s 42 s 47C s 47E(d) s 47F s 47G(1)(b)
6.	21/04/2024 11:49	Email – Department to Minister's Office and SES	2	Access refused	s 22 in part s 47C in full
7.	21/04/2024 13:47	Email – between Department SES	2	Access refused	s 22 in part s 47C in full
8.	21/04/2024 15:38	Email – between Department SES	3	Partial access granted	s 47E(d) s 47F s 47G(1)(b)
9.	21/04/2024	Email -between Department SES	1	Access refused	s 22 in part
	17:50	Attachment	19		s 47C in full
10.	21/04/2024 20:15	Email – between Department SES Attachment - Talking points clean	1 1	Access granted in full	
11.	21/04/2024 21:29		4	Partial access granted	s 22 s 47E(d) s 47F s 47G(1)(b)
12.	21/04/2024 21:57	Email – between Department SES Attachment – Bonza Talking Points.docx	1 1	Access granted in full	
13.	21/04/2024 22:47		2 1	Access granted in full to relevant information	
14.	21/04/2024 22:58	Email – Department to MO Attachment – MS24-000704 ²	1	Access granted in full to relevant information	
15.	22/04/2024	Ministerial Submission– MS24-000704	3	Partial access granted	s 22 s 47C s 47E(d)

¹ Duplicate of Document 5

13

² Duplicate of Document 15

No.	Date of	Document description	No of	Decision	Provisions of
	document		pages		the FOI Act
					s 47F s 47G(1)(b)
16.	22/04/2024	Email – between Department SES	2	Partial access granted	s 22
	07:47	Attachment:		_	s 47C
		Bonza insolvency risk (003)	5		s 47E(d)
					s 47F
					s 47G(1)(b)
17.	22/04/2024	Email - between Department SES	2	Access refused	s 22 in part
18.	10:29	Email – from Department to various external	4	Access granted in full	s 47C in full s 22 in part
10.	12.06pm	stakeholders; Department SES	4	to relevant information	5 22 III part
	12.000	Attachment:			
	22/04/2024	Bonza Talking Points for Ministers	2		
19.		Email – between Department SES	1	Access refused	s 22 in part
	11:19	A. Attachment A	4		s 42 in full
		B. Attachment B	2		s 47C in full
		C. Attachment C	1		
20.	30/04/2024		4	Access granted in full	s 22 in part
	4.25pm	Attachment – Bonza (003)		to relevant information	5 part
21.		Email – from Department to Minister's Office	2	Access refused	s 22 in part
	17:13				s 42 in full
22.	30/04/2024	Email – Department to Minister's Office	2	Partial access granted	s 22
	20:07				s 47F
23.		Email – between Department SES	1	Partial access granted	s 22
	22:31	Attachment:	-		s 47E(d)
		Bonza voluntary administration	3		s 47F
24.	01/05/2024	Email –between Department SES	6	Release in full	s 47G(1)(b)
	11:34	Attachment – Bonza Talking Points 1 May 2024	Ŭ		
25.	02/05/2024	Email – between Department SES	5	Access granted in full	s 22 in part
	09:09	Attachment:		to relevant information	
		Bonza Talking Points 1 May	4		
26.	02/05/2024	Email – between Department SES	5	Release in full	
	15:54	Attachment – Bonza Talking Points 2 May 2024			
27.	02/05/2024	Email –Department SES to external stakeholders;	6	Access granted in full	s 22 in part
	16:03	Department SES		to relevant information	
		Attachment:	4		
20	02/05/2024	Bonza Talking Points 2 May 2024	4	Assess mented to full	a 22 in ment
28.	03/05/2024 13:07	Email – Department SES to external stakeholders; Department SES	7	Access granted in full to relevant information	s 22 in part
	13.07	Attachment:			
		Bonza Talking Points 3 May 2024	4		
29.	06/05/2024	Email – between Department SES	3	Partial access granted	s 42
	12:11			0.000	s 47C
					s 47E(d)
					s 47F
					s 47G(1)(b)
30.		Email – from Media to Minister's Office	4	Access granted in full	s 22 in part
	09:51	Attachment:		to relevant information	
		Bonza Talking Points 7 May 2024.	4		

s22(1)(a)(ii)	
From: Sent: To: Cc: Subject: Attachments:	PURVIS-SMITH, Marisa Saturday, 20 April 2024 1:19 PM ^{s22(1)(a)(ii)} ; ^{s22(1)(a)(ii)} ; Lloyd, Maggie Betts, Jim; Werner, Stephanie; Everist, Kai Fwd: 240420_Bonza Brief.docx (SEC=PROTECTED, CAVEAT=SH.CABINET]- 240420_Bonza Brief.docx
	22(1) a)(ii)
Attached is a draft	brief that sets out the issue and potential options.

Note it is not a final brief but provides the situation as we currently know it.

Regards

s47C

Marisa

PROTECTED

s22(1)(a)(ii) Everist, Kai From: Sent: Saturday, 20 April 2024 1:52 PM PURVIS-SMITH, Marisa; Werner, Stephanie To: RE: 240420_Bonza Brief.docx [SEC=PROTECTED] Subject: HI Marisa, Stephanie s47C Thanks Kai

From: PURVIS-SMITH, Marisa Sent: Saturday, 20 April 2024 12:25 PM To: Werner, Stephanie Cc: Everist, Kai Subject: Re: 240420_Bonza Brief.docx [SEC=PROTECTED, CAVEAT_SH.CABINET]

PROTECTED

Stephanie, This looks really good, great work. I am happy for you to provide to relevant people. Marisa

PROTECTED

From: "Werner, Stephanie" <<u>Stephanie.Werner@infrastructure.gov.au</u>> Date: Saturday 20 April 2024 at 12:18:20 PM To: "PURVIS-SMITH, Marisa" <<u>Marisa.PurvisSmith@infrastructure.gov.au</u>> Cc: "Everist, Kai" <<u>Kai.Everist@infrastructure.gov.au</u>> Subject: 240420_Bonza Brief.docx [<u>SEC=FROTECTED</u>, CAVEAT=SH.CADINET]

ROTLOTED, SH.CADINET

Document 4

FOI 24-423

ROTECTED, SH.CADINET

MS24-000703



Australian Government

Department of Infrastructure, Transport, Regional Development, Communications and the Arts

To: The Hon Catherine King MP, Minister for Infrastructure, Transport, Regional Development and Local Government (for noting)

Subject: Bonza Aviation's request for assistance

Critical Date: 21 April 2024

Recommendation/s	
1. That you note the information in this brief al Commonwealth assistance, ^{\$47C}	bout Bonza's financial position and request for Noted / Please Discuss
The Hon Catherine King MP Comments:	Date:
Kev Points:	

s47E(d), s47F, s47G(1)(b)

2. Bonza operates a fleet of six aircraft, all of which it leases. Bonza operates four Boeing 737 MAX 8 aircraft under lease from AIP Capital LLC (an aviation asset management firm based in the UK). Bonza has a 'wet lease' arrangement (aircraft and crew are both supplied) for a further two Boeing 737 aircraft with Flair Airlines, a Canadian-based airline.

PROTECTED CADRIET

MS24-000703

3. Flair Airlines and Bonza Aviation are both owned by Miami-based private investment firm 777 Partners. AIP Capital was previously owned by 777 Partners as its aviation asset management arm but Jordan has advised 777 no longer owns AIP.

s47E(d), s47F, s47G(1)(b)

8. s47E(d), s47F, s47G(1)(b)

Given global shortages of aircraft, Boeing's challenges in meeting its production schedule, and that these aircraft are modern B737 MAX 8s, we expect these would quickly be leased to another operator.

s42

s47E(d), s47F, s47G(1)(b)

MS24-000703

. We have

12. s47E(d), s47F, s47G(1)(b)

had no opportunity to verify this or inspect Bonza's books.

s47E(d), s47F, s47G(1)(b)

Option of voluntary administration

s47C

15. Typically, the directors of a company that is insolvent (or at risk of being insolvent) will put the company into voluntary administration, as this both provides the directors with some personal/individual protections and affords the company with additional time to have an independent expert assess the business and help develop a plan for moving forward.

- 16. If Bonza enters voluntary administration:
 - a. unsecured creditors^{\$47E(d), \$47F, \$47G(1)(b)} cannot begin, continue or enforce their claims against the company without the administrator's consent or the court's permission
 - b. owners of property used or occupied by the company (including leased property), are not able to recover their property (i.e. the four aircraft)
 - c. except in limited circumstances, secured creditors are not able to enforce any charge over the company's property
 - d. a court application to put the company into liquidation cannot be commenced.

17. If Bonza enters voluntary administration, the administrator will take full control of the company, undertake investigations, and prepare a report for the benefit of creditors.

- a. The administrator will decide whether the company will keep trading, and it is typical for this to occur.
- b. If necessary, an administrator can take out a loan on the company's behalf to fund its near-term operations (in these circumstances, the Commonwealth could give the loan to the administrator or provide a guarantee to the benefit of the administrator to give them the confidence to continue trading further the voluntary administration period).
- 18. At the end of an administration, one of the following outcomes would be expected:
 - a. the company can be returned to the current directors (and owners)
 - b. a deed of company arrangements can be put into effect (e.g. the business can be sold, or some or all of the company's debts can be extinguished, etc.)
 - c. the company can be wound-up and a liquidator is appointed.

s47C

20. The Fair Entitlements Guarantee provides a backstop for any employee liabilities that are left unpaid following an administration and/or liquidation; however, customers with prepaid flights may not be repaid in full.

4

MS24-000703

s47C

MS24-000703

Background

29. Bonza flies to Albury, Coffs Harbour, Newcastle, Port Macquarie, Tamworth, Alice Springs, Darwin, Bundaberg, Cairns, Gladstone, Gold Coast, Mackay, Mount Isa, Proserpine, Rockhampton, Sunshine Coast, Toowoomba, Townsville, Launceston, Geelong, Melbourne and Mildura.

30. Bonza was granted its Air Operator Certificate from the Civil Aviation Safety Authority (CASA) on 12 January 2023. It is a low-cost carrier intending to serve domestic and regional routes in Australia, with a focus on underserved routes.

31. Its primary base is at the Sunshine Coast, with additional bases at Melbourne and the Gold Coast.

32. On 13 July 2023, Bonza announced several schedule changes including its withdrawal from five routes where demand was insufficient to sustain operations. Bonza also noted that schedule changes would also go towards improving the reliability of its services.

33. On 15 November 2023, Bonza announced the launch of a third of operations at Gold Coast Airport. Bonza intended to support the base and new routes with aircraft and pilots sourced through its Canadian affiliate, Flair.

34. Regulatory approval from CASA for this arrangement was obtained on 19 December 2023.

35. On 30 November 2023, Bonza announced the cancellation of flights between Darwin and the Gold Coast for December 2023, and on 28 December 2023, it announced further cancellations on the route up to and including 18 March 2024.

COTLETED CADINET

MS24-000703

s22(1)(a)(ii)

Cleared By: Marisa Purvis-Smith Position: Deputy Secretary, Transport Group Ph: (02) 6136^{s22(1)} Mob: ^{s22(1)(a)(ii)} Cleared Date: Contact Officer: Stephanie Werner Position: First Assistant Secretary Division: Domestic Aviation and Reform Mob: ^{\$22(1)(a)(ii)}

Instructions for MPS: Nil

Do you require a signed hardcopy to be returned: No

Responsible Adviser: ^{s22(1)(a)(ii)}

PDMS Distribution List: Jim Betts, Marisa Purvis Smith, Stephanie Werner, Richard Wood, Ben Vincent, Brendon Buckley, Kai Everist

 From:
 Everist, Kai

 Sent:
 Sunday, 21 April 2024 3:38 PM

 To:
 PURVIS-SMITH, Marisa; Werner, Stephanie

 Subject:
 Sunday 2pm phone call between DITRDCA and Bonza - meeting notes [SEC_PROTECTED, CAVEAT = SH.CADINET]

Hi Marisa, Stephanie

See my notes below from this afternoon's meeting.

Thanks

s22(1)(a)(ii)

Kai

Sunday 2pm phone call between DITRDCA and Bonza

Attendees:

- Marisa Purvis-Smith
- Stephanie Werner
- Kai Everist

s47E(d), s47F, s47G(1)(b)

Kai Everist (he/him) Assistant Secretary • Aviation White Paper Domestic Aviation and Reform Division Kai.Everist@infrastructure.gov.au P +61 2 6274 ^{\$22(1)} • M +61 ^{\$22(1)(a)(ii)} GPO Box 594 Canberra, ACT 2601

Department of Infrastructure, Transport, Regional Development, Communications and the Arts CONNECTING AUSTRALIANS • ENRICHING COMMUNITIES • EMPOWERING REGIONS

FOI 24-423

FOI 24-423

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<u>infrastructure.gov.au</u>

I would like to acknowledge the traditional custodians of this land on which we meet, work and live. I recognise and respect their continuing connection to the land, waters and communities. I pay my respects to Elders past and present and to all Aboriginal and Torres Strait Islanders.

TROTECTED. OH.CADINET

From:	Werner, Stephanie
Sent:	Sunday, 21 April 2024 8:15 PM
То:	PURVIS-SMITH, Marisa; Everist, Kai
Subject:	Talking points clean.docx [SEC=PROTECTED, CAVEAT=SH.CADINET]
Attachments:	Talking points clean.docx

Legal's changes accepted and last point removed, Stephanie

Released under the FOI Act 1982 by the Department of Infrastructure Communications and the Arts Regional Development, Transport,

Regional Develop

Transport

s22(1)(a)(ii)			
From: Sent: To: Subject:	Everist, Kai Sunday, 21 April 2024 9:29 PM PURVIS-SMITH, Marisa; Werner, Stephanie Sunday 830pm phone call between DITRDCA and Bonza - meeting notes [SEC - PROTECTED, CAVEAT - SH.CADINET]	of Infrastructure,	rts
	PROTECTED, OH.OADINET	fras	Je A
Hi Marisa, Stepha	nie	f Ini	nd th
See my notes belo	ow from this evening's meeting.		a
Thanks Kai		men	ions
Meeting notes – I Attendees: • Marisa Pu • Stephanie • Kai Everis • ^{S47F}	urvis-Smith e Werner	/ the Department	ommunicat
Discussion		by	\bigcirc
s47E(d), s47F, s4	/G(1)(b)	1982	ment,

From: Everist, Kai Sent: Sunday, 21 April 2024 3:38 PM To: PURVIS-SMITH, Marisa ; Werner, Stephanie Subject: Sunday 2pm phone call between DITRDCA and Bonza - meeting notes [SEC_PROTECTED; CAVEAT-SHICADINET]

s22(1)(a)(ii) - duplicate email

Transport, Regional Development, Communications and the Arts Released under the FOI Act 1982 by the

s22(1)(a)(ii)

From:Everist, KaiSent:Sunday, 21 April 2024 9:57 PMTo:Werner, StephanieCc:VINCENT, BenSubject:Bonza Talking Points (SEC=PROTECTED)Attachments:Bonza Talking Points.docx

PROTECTED

Hi Stephanie

See attached draft talking points for Ministers.

I've kept it fairly short, and we will need to update these talking points as the situation develops.

As discussed, I've drafted for the situation where Bonza enters voluntary administration, however this may not be the situation on Monday. Do you want another version for ministers to respond to speculation about Bonza?

Thanks Kai

PROTECTED

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Bonza voluntary administration

Draft talking points

Note: these talking points are drafted for the event that Bonza enters voluntary administration in the week of 22 April 2024.

Talking points

- The Government is aware that Bonza Aviation has appointed a voluntary administrator to resolve the company's future.
- This is a difficult time for Bonza's employees, suppliers and customers. Our sympathies are with all those who face uncertain futures.
- The Government is in discussions with other Australian airlines about options to support Bonza passengers to return home. We will have more to say on this shortly.

IF ASKED: Will Bonza stop flying?

- The administrator will decide on the next steps for Bonza, and whether it is appropriate for Bonza to continue trading while in administration.
- We will need to wait for the administrator works through the issues.

[If flights are grounded] IF ASKED: What should Bonza ticket holders do now?

- The Government is in discussions with other Australian airlines about options to support Bonza passengers to return home. We will have more to say on this shortly.
- Bonza ticket holders should talk to their travel insurance providers and credit card providers to see if they are entitled to reimbursement.
- Ticket holders may also be able to register with the administrator as a creditor to Bonza.

IF ASKED: Why didn't the Government step in to support Bonza?

• Australia has a market economy, and it is not the role of Government to bail out shareholders and investors.

IF ASKED: What does this mean for Bonza employees?

- This is a difficult and uncertain time for Bonza employees.
- The administration process prioritises paying employee entitlements ahead of paying money owed to other creditors.
- The Government's Fair Entitlements Guarantee (FEG) provides a last resort backstop to pay employees entitlements where these cannot be met from other sources.

IF ASKED: Will people receive refunds for pre-booked tickets?

- The administrator of Bonza will work with its creditors to resolve the company's future. This will include consideration of how to treat pre-booked tickets and flight credits.
- Customers should contact their travel insurance providers and credit card providers, to see if they are entitled to reimbursement.

s22(1)(a)(ii)
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From:	Everist, Kai
Sent:	Sunday, 21 April 2024 10:47 PM
То:	Zaheed, Mohita; ^{s22(1)(a)(ii)} Jose, Cameron (Department of Finance - Protected); Christina.Garbin@pmc.gov.au; Werner, Stephanie; ^{s22(1)(a)(ii)} @finance.gov.au
Subject:	Bonza TPs for ministers [SEC=OFFICIAL]
Attachments:	Bonza Talking Points for Ministers.docx

OFFICIAL

Hi all

See attached draft Talking Points, as discussed.

We will work with you to update these through the week, if the situation progresses.

Thanks Kai

OFFICIAL

From: Zaheed, Mohita Sent: Sunday, 21 April 2024 11:41 AM To: ^{\$22(1)(a)(ii)} Jose, Cameron (Department of Finance - Protected); Christina.Garbin@pmc.gov.au; Everist, Kai; Werner, Stephanie; ^{\$22(1)(a)(ii)} @finance.gov.au Subject: RE: Airline - cashflow [SEC=OFFICIAL]

OFFICIAL

Send mobiles to this email chain

Mohita

Mohita Zaheed

First Assistant Secretary – Labour Market, Environment, Industry and Infrastructure Division P +61 2 6263 $\frac{s22(1)}{(a)(ii)}$ M +61 $\frac{s22(1)(a)(ii)}{(a)(ii)}$

EA Contact: s22(1)(a)(ii) P +61 2 6263 (a)(ii) E s22(1)(a)(ii) @treasury.gov.au

treasury.gov.au Langton Crescent, Parkes ACT 2600 Twitter | LinkedIn | Facebook

The Treasury acknowledges the traditional owners of country throughout Australia, and their continuing connection to land, water and community. We pay our respects to them and their cultures and to elders both past and present.

OFFICIAL

-----Original Appointment-----From: Zaheed, Mohita Sent: Sunday, April 21, 2024 10:40 AM To: Zaheed, Mohita; ^{\$22(1)(a)(ii)} Jose, Cameron (Department of Finance - Protected); <u>Christina.Garbin@pmc.gov.au</u>;

Microsoft Teams <u>Need help?</u>

Join the meeting now

Meeting ID: Passcode: \$22(1)(a)(ii) \$22(1)(a)(ii)

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s22(1)(a)(ii)	<u>#</u> Australia, Sydney
Find a local number	
Phone conference ID: \$22(1)(a)(ii)	
Join on a video confere	ncing device
s22(1)(a)(ii)	

Tenant key:	<u>treasury.gov.au</u>
Video ID: s22(1)(a)(ii)	

More info

For organizers: Meeting options | Reset dial-in PIN

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Bonza situation 22 April

- I am aware of the speculation surrounding Bonza Aviation.
- I am unable to provide any advice as to the company's circumstances and suggest you contact Bonza Aviation for comment
- Bonza holds around 1.7 per cent of the domestic aviation market and operates flights to around 21 destinations in Australia.

If asked: has Bonza asked the Australian government for assistance?

- If Bonza had made such an approach, that would be commercial in confidence information.
- It would not be appropriate for me to discuss any such information publicly.

If asked: would you consider providing assistance if asked?

- Any request for assistance would be taken seriously by the Australian Government and given due consideration.
- I am unwilling to speculate further on hypothetical questions.

Bonza voluntary administration

Note: these talking points are drafted for IF Bonza enters voluntary administration in the week of 22 April 2024. As at 21 April, Bonza has not entered into administration.

Talking points

- The Government is aware that Bonza Aviation has appointed a voluntary administrator to resolve the company's future.
- This is a difficult time for Bonza's employees, suppliers and customers. Our sympathies are with all those who face uncertain futures.
- Arrangements for Bonza customers are a matter for Bonza's administrator and the customers themselves.

IF ASKED: Will Bonza stop flying?

• The administrator will decide on the next steps for Bonza, and whether it is appropriate for Bonza to continue trading while in administration.

• We will need to wait for the administrator to work through the issues.

[If flights are grounded] IF ASKED: What should Bonza ticket holders do now?

- Bonza ticket holders should talk to their travel insurance providers and credit card providers to see if they are entitled to reimbursement.
- Ticket holders may also be able to register with the administrator as a creditor to Bonza.

IF ASKED: Why didn't the Government step in to support Bonza?

- The Government considers seriously requests for assistance from Australian companies
- In this instance, our focus is on supporting consumers who have been affected during the school holidays and ensuring the rights of Bonza employees are respected

IF ASKED: What does this mean for Bonza employees?

- This is a difficult and uncertain time for Bonza employees.
- The administration process prioritises paying employee entitlements ahead of paying money owed to other creditors.
- The Government's Fair Entitlements Guarantee (FEG) provides a last resort backstop to pay employees entitlements where these cannot be met from other sources.

IF ASKED: Will customers receive refunds for pre-booked tickets?

- The administrator of Bonza will work with its creditors to resolve the company's future. This will include consideration of how to treat pre-booked tickets and flight credits.
- Customers should contact their travel insurance providers and credit card providers, to see if they are entitled to reimbursement.

Background

AIP Capital is a UK-based aircraft management firm which leases four aircraft to Bonza Aviation Pty Ltd, an Australian registered company. Press reports (Australian Financial Review, 18 April) suggest Korda Mentha has been appointed by AIP Capital to review its arrangement with Bonza Aviation.

Further press reporting has suggested Bonza is in financial difficulty and may soon be unable to operate its flights. Around 21,000 customers are scheduled to travel with Bonza during the next week of the school holidays (to 29 April). As at 9pm 21 April Bonza was continuing to operate as usual.

Werner, Stephanie
Sunday, 21 April 2024 10:58 PM
Sunday, 21 April 2024 10:58 PM Lloyd, Maggie;
PURVIS-SMITH, Marisa; Betts, Jim; Everist, Kai; VINCENT, Ben; French, Angela
Brief on Bonza situation/options [SEC PROTECTED, CAVEAT SH.CABINET]
MS24-000704.docx

Dear Maggie, ^{s22(1)(a)(ii)}

Please find attached a brief on a proposed way forward on Monday should this be needed. The brief will follow in PDMS. $\binom{\$22(1)}{(a)(ii)}$ this replaces the earlier version I emailed to you).

Regards Stephanie

s22(1)(a)(ii)

Stephanie Werner

First Assistant Secretary Domestic Aviation and Reform Division Stephanie.Werner@infrastructure.gov.au P +61 2 6274 ^{s22(1)} (a)(ii) • M +61 ^{s22(1)(a)(ii)} GPO Box 594 Canberra, ACT 2601

"We steward the domestic aviation sector by regulating airports, investing strategically in aviation services, and advising government on policy to serve Australia's interests."
Department of Infrastructure, Transport, Regional Development, Communications and the Arts
CONNECTING AUSTRALIANS • ENRICHING COMMUNITIES • EMPOWERING REGIONS
infrastructure.gov.au
Would like to acknowledge the traditional custodians of this land on which we meet, work and live.
I recognise and respect their continuing connection to the land, waters and communities.
I pay my respects to Elders past and present and to all Aboriginal and Torres Strait Islanders.

MS24-000704



Australian Government

Department of Infrastructure, Transport, Regional Development, Communications and the Arts

To: The Hon Catherine King MP, Minister for Infrastructure, Transport, Regional Development and Local Government (for decision)

Subject: Bonza Aviation: Current situation and possible support for consumers

Critical Date: Please action by 22 April. This is the earliest we anticipate Bonza's leased aircraft may be seized by the lessor.

Recommendations:	
. That you note that based on our review of d	
	gional Development, Communications and the
Arts (the department) hold concerns about E	-
	Noted / Please Discuss
s47C	
	Noted / Please Discuss
s47C	Noteu / Ticase Discuss
•	
	Agreed / Not Agreed
The Hon Catherine King MP	Date:
8	
Comments:	
av Dointa	
ey Points: E(d), s47F, s47G(1)(b)	
ey Points: E(d), s47F, s47G(1)(b)	
ey Points: E(d), s47F, s47G(1)(b)	
y Points: d), s47F, s47G(1)(b)	

Arts

MS24-000704

	The department, central agencies and the Australian Government S documents. ^{\$42}	olicitor have reviewed		
3.	s42			
		We do not know		
	ner the aircraft will be repossessed.			
s47E(d),	, s47F, s47G(1)(b)			
s47C				
6.	s47E(d), s47F, s47G(1)(b)			
		If Bonza		
goes into administration we would need further specific detail as to the location of the passengers, as there are 169 flights being operated by Bonza in that time period.				
s47C				

8. As stated above, ^{\$47E(d), \$47F, \$47G(1)(b)}	. We have briefed the Department of
Employment and Workplace Relations on the situation.	_
M7C	

Stakeholder Implications:

Australian consumers booked to travel with Bonza during the school holidays would be inconvenienced by the cancellation of their flights, and may need to incur costs of additional accommodation and transfers. However, they may hold travel insurance, including through a credit card issuer where the flights were booked via credit card, which could cover expenses occurred. ^{\$47C} consumers holding bookings with Bonza beyond the school holiday period would join other unsecured creditors in any distribution of Bonza's assets following a legal process.

ROTECTED CADRIET

s47C

Consultation: Department of Prime Minister & Cabinet, Treasury, Department of Finance, Australian Government Solicitor, Department of Employment and Workplace Relations, Legal Services Division.

Media Opportunities: Talking points will be provided to your office for use should Bonza enter into administration or should its aircraft be repossessed.

Cleared By: Marisa Purvis-Smith Position: Deputy Secretary, Transport Group Cleared Date: 21 April 2024 Contact Officer: Stephanie Werner Section: First Assistant Secretary, Domestic Aviation and Reform Ph: ^{s22(1)(a)(ii)}

Instructions for MPS: Nil

Do you require a signed hardcopy to be returned: No

Responsible Adviser: ^{\$22(1)(a)(ii)}

PDMS Distribution List: Jim Betts, Marisa Purvis-Smith, Stephanie Werner, Kai Everist, Ben Vincent

s22(1)	(a)(ii)
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From:Everist, KaiSent:Monday, 22 April 2024 7:47 AMTo:PURVIS-SMITH, MarisaCc:Werner, Stephanie; VINCENT, BenSubject:RE: Two pager on the process for voluntary administration [SEC=FROTECTED]Attachments:Bonza insolvency risk (003).docx

PROTECTED

Hi Marisa

DEWR provided some further input on the Fair Entitlements Guarantee, which I have included in the attached updated 2 pager.

The only change in the document is to the paragraph highlighted yellow.

Thanks Kai

PROTEOTED

From: Everist, Kai Sent: Sunday, 21 April 2024 8:01 PM To: PURVIS-SMITH, Marisa Cc: Werner, Stephanie ; VINCENT, Ben Subject: Two pager on the process for voluntary administration [SEC PROTECTED]

PROTECTED

Hi Marisa

As requested, see attached a short document on:

- What is likely to happen if Bonza enters voluntary administration
- The potential implications for Bonza ticket holders and employees
- Previous airline collapses and the outcomes for ticket holders.

There is also a more detailed attachment at the end of the document (provided by finance) on the steps that occur during voluntary administration.

Kai

Kai Everist (he/him) Assistant Secretary • Aviation White Paper Domestic Aviation and Reform Division Kai.Everist@infrastructure.gov.au P +61 2 6274 ^{\$22(1)} • M +61 ^{\$22(1)(a)(ii)} GPO Box 594 Canberra, ACT 2601 FOI 24-423

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I would like to acknowledge the traditional custodians of this land on which we meet, work and live. I recognise and respect their continuing connection to the land, waters and communities. I pay my respects to Elders past and present and to all Aboriginal and Torres Strait Islanders.

PROTECTED.

Bonza insolvency risk – background information

What do we expect to happen on Monday 22 April?

s47E(d), s47F, s47G(1)(b)

s47E(d), s47F, s47G(1)(b)

If the

company is insolvent, the directors of the company have a duty to put the company into administration, to protect the interests of the creditors and shareholders. ^{s47E(d), s47F, s47G(1)(b)}

What happens if Bonza enters voluntary administration?

Under Australian law, the directors of Bonza would appoint an administrator to take charge of the company and determine its future in the best interests of creditors and shareholders. There are a range of processes that must occur once a company is put into administration (see <u>Attachment A</u>).

The administrator would decide whether Bonza will continue trading while in administration (assuming the aircraft have not yet been repossessed).

The eventual outcomes of administration could include:

- Bonza being returned to the shareholders and management to continue trading
- A deed of company arrangement (DOCA) being agreed (between the administrator and creditors) to sell Bonza to new owners
- The company being would up and its assets sold off (liquidation), with proceeds used to pay creditors some of what they are owed.

What would this mean for ticket holders?

If Bonza enters voluntary administration, and flights are cancelled, it appears likely ticket holders will not receive any refunds.

- If Bonza continues trading during administration: ticket holders may be able to fly as planned.
- <u>If Bonza is purchased by new owners</u>: The DOCA may include an agreement to honour tickets sold prior to the administration. The DOCA is voted on by creditors, and is designed to protect the best interests of creditors. The DOCA binds all unsecured creditors (including ticket holders), even if they voted against the proposal.

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Whether or not the new owners of Bonza are required to honour prior ticket sales, they could choose to do so if they considered it in their commercial interests (i.e. to protect the airline's reputation with customers).

<u>If Bonza is liquidated</u>: ticket holders would be treated by the administrator as 'unsecured creditors' of the airline. The administrator would treat the ticket holders' interests as a lower priority than the interests of Bonza employees and 'secured creditors' (whose loans are secured against Bonza assets). As unsecured creditors, ticket holders would be unlikely to receive any repayment.

Some ticket holders may be able to recover money paid through travel insurance or credit card providers.

Will travellers be stranded?

If Bonza flights are suspended at short notice, some travellers may be left stranded, and have to make alternate travel arrangements at additional cost.

Many of the routes operated by Bonza are not operated by other airlines and therefore some travellers may have difficulty making other arrangements.

s47C

s22(1)(a)(ii)

What will happen to Bonza employee entitlements?

Bonza employee entitlements will receive priority by the administrator, ahead of creditors.

The Government's Fair Entitlements Guarantee (FEG) provides a last resort backstop to pay employees entitlements where these cannot be obtained from other sources. FEG pays five entitlements and payments are capped. FEG does not pay superannuation. Claimants may request unions to assist with completing their FEG claims.

s47E(d), s47F, s47G(1)(b)

Attachment A – The voluntary administration process

The VA process occurs in four stages

Stage 1. The administrator is appointed by one of the following processes:

- a. a resolution of the board of directors
- b. a secured creditor after their finance agreement terms have been breached and the administrator consents to the appointment
- c. or a liquidator if a proposed deed of company arrangement (DOCA) will provide a better return to creditors than the continued liquidation.

The VA **begins as soon as the administrator is appointed**. This can be done by a resolution of the board when the directors believe the company is insolvent or likely to become insolvent in the future. The administrator takes full control of the company, and all of the functions, powers, and responsibilities take effect as soon as they are appointed.

- a. The directors lose their legal powers, and must help the administrator.
- b. Immediately following the appointment of voluntary administrators, the voluntary administrator's legal advisors can prepare an application to Court extending the convening period for six (6) months. This is a common and accepted process to protect the mechanisms of a voluntary administration process. In essence, an extension of the convening period will allow the voluntary administrators to keep the operations together without the threat of enforcement action and repossession of aircraft and critical components (provided payment to suppliers continues).
- Stage 2. The first creditors meeting is held **within eight business days** of appointment, at which creditors can vote to replace the administrator and/or form a committee of inspection (a group of creditors or their representatives who monitor, assist and advise the administrator). This would allow the committee of inspection to engage with the voluntary administrators throughout the voluntary administration without the requirement of the voluntary administrators having to convene a meeting of all creditors, which can be costly and time consuming.
- Stage 3. The administrator **investigates the company's affairs** and **reports to creditors** on the alternative options available to the company. The report must include sufficient information for creditors to make an informed decision on the company's future and provide a recommendation to creditors as to which of the options is in the best interests of creditors. The options are: 1) end the VA and return to the directors; 2) approve a DOCA (outlining how the company can pay its debts and return to solvency); and 3) wind up the company. Options 2 and 3 are the two most common outcomes of a VA.
- Stage 4. The second creditors meeting is held within 20 business days of appointment (unless an extension of time is granted by a court, the VA occurs close to the Christmas holidays, or the meeting is adjourned for up to 45 business days from original meeting date), where creditors decide which of the three above options should occur. Creditors are asked to vote on the DOCA.
 - a. The second creditors meeting may be adjourned for up to 45 business days from the date of the original meeting (or potentially for longer by order of the Court) to investigate further issues or clarify a legal matter.

- b. For a DOCA to be approved, the meeting must pass a resolution, which means that it must be approved by 50% in number and 50% in value of those creditors voting.
- c. A DOCA binds the company, its creditors, officers, shareholders and administrators, however, secured creditors can only be bound by a DOCA if they voted in favour of it.
- d. The VA ends when one of the following occurs: 1) the company enters into a DOCA (see further details below); 2) the creditors resolve to wind up the company; 3) the creditors resolve that the VA should end and return control of the company to its directors (which is uncommon and would only be appropriate is the company is solvent).

Role and powers of the voluntary administrator

The administrator takes control of the affairs and business of the company, and acts as an agent of the company. They are subject to the duties applicable to company officers.

Further, the administrator has duties to investigate the company's affairs, report any offences to ASIC, report to creditors on the course of action that gives for the best outcome for creditors, and assist the directors in formulating a DOCA proposal.

The administrator has very broad powers including to trade on the company and sell its assets. The **administrator is personally liable for debts of the company incurred during the administration** period arising from:

- buying goods or services
- hiring or retaining staff
- leasing, using, or occupying property
- repayment, interest, and costs associated with borrowing money (if the money was borrowed by the administrator)
- rent due on property used or occupied, if the administrator chooses to continue using/occupying it after five business days.
- certain tax liabilities arising out of remittance provisions.

Administrators can:

- borrow funds secured on a first-ranking secured basis, to allow the business to continue trading pending sale or recapitalisation of the business as a going concern;
- selectively perform (profitable) contracts;
- repudiate (unprofitable) contracts;
- reduce operating expenses, for example by reducing the workforce and exiting onerous leases; and
- buy and sell assets, including the underlying business if appropriate.

The personal liability means that the administrator will be reluctant to trade on (including to retain employees or cause the company to perform contracts) where there are not available funds to do so or where this would prejudice the position of creditors. They have a right of indemnity out of the property of the company for debts or liabilities incurred by the administrator and for the administrator's remuneration. This right of indemnity takes priority over unsecured debts of the company, and also over any debts secured by any circulating security interest.

Trade on, unprofitable contracts and funding

Should the business be loss-making and given the administrator's fiduciary duties and personal liability, it is unlikely that the administrator will continue to trade the business during the VA period unless funds – sufficient to cover administrator's professional fees and costs during trade on – are provided to the administrator.

Fair Entitlements Guarantee

The Fair Entitlements Guarantee (FEG) is a legislative safety net scheme of last resort with assistance available for eligible employees. The scheme provides financial assistance to eligible employees whose employer has entered liquidation or bankruptcy and who are owed employee entitlements which are not able to be paid by their employer or from another source.

FEG assistance is only available where employees have lost their job due to the insolvency of their employer and there is no other source of funds to pay employment entitlements.

FEG is administered by the Department of Employment and Workplace Relations. Decisions about eligibility for FEG assistance are made in accordance with the *Fair Entitlements Guarantee Act 2012* (FEG Act).

In the event that liquidation eventuates, there would be a potential cost to the Government under the FEG to cover worker entitlements.

Data would need to be gathered to help understand any potential FEG liability in this situation. The total cost to Government would be determined throughout the administration process.

From:	Everist, Kai
Sent:	Monday, 22 April 2024 12:06 PM
То:	Zaheed, Mohita; Jose, Cameron (Department of Finance - Protected Garbin@pmc.gov.au; Werner, Stephanie; ^{\$22(1)(a)(ii)} @finance.gov.au
Subject:	RE: Bonza TPs for ministers [SEC=OFFICIAL]
Attachments:	Bonza Talking Points for Ministers.docx

OFFICIAL

Thanks ^{s22(}_{1)(a)}

s22(1)(a)(ii)

I've updated the TPs, attached.

The dot point now reads:

• Bonza ticket holders who have purchased travel insurance should talk to their travel insurance providers and credit card providers to see if they are entitled to reimbursement.

Let me know if any concerns with this, or any other changes.

Kai

OFFICIAL

From:\$22(1)(a)(ii)Sent: Monday, 22 April 2024 11:17 AMTo: Zaheed, Mohita ; Everist, Kai ; Jose, Cameron (Department of Finance - Protected) ;Christina.Garbin@pmc.gov.au; Werner, Stephanie ;\$22(1)(a)(ii)@finance.gov.auSubject: RE: Bonza TPs for ministers [SEC=OFFICIAL]

Hi Kai,

We did a review of the credit card insurance policies and it looks like they are unlikely to protect customers from losses if Bonza was to cease operating as these insurance policies have a general exclusion clause for losses due to financial collapse of a company / service provider.

A bit more of an explanation is below. As such, we probably need to take out the line about checking with credit card providers from the TPs.

NAB, Westpac and ANZ cards are all underwritten by Allianz and have an exclusion if the claim is 'caused by the financial default or financial collapse of a services provider with whom you make a booking or the financial default or financial default or financial collapse of any company, organisation or person with whom they deal.' There is also an exclusion if the claim is caused by 'any interference with your travel plans by any government, government regulation or prohibition or intervention or official authority'.

Complementary CBA insurance is focused on overseas travel, however, there is also an additional complementary cover for 'interstate flight inconvenience'. In the international cover section, CBA has an exclusion for 'the failure of any travel agent, tour operator, accommodation provider, airline or other carrier, car rental agency or any other travel or tourism services provider to provide services or accommodation due to their insolvency or the insolvency

FOI 24-423

of any other person, company or organisation they deal with.' It is not immediately clear the extent to which this exclusion applies to 'interstate flight inconvenience'. So while an argument could be made that CBA covers travel costs for interstate flights due to the collapse of an airline, it is not clear. CBA also has a general exclusion for 'claims arising from any government intervention, prohibition, sanction, regulation or restriction or court order'.

Thanks, ^{s22(} 1)(a)

Kind regards,

^{s22(1)(a)(ii)} — A/g Assistant Secretary, CBR Stakeholder Liaison Branch

The Treasury acknowledges the traditional owners of country throughout Australia, and their continuing connection to land, water and community. We pay our respects to them and their cultures and to elders both past and present.

 From: Zaheed, Mohita <<u>Mohita.Zaheed@treasury.gov.au</u>>

 Sent: Monday, April 22, 2024 7:45 AM

 To: Everist, Kai <<u>Kai.Everist@infrastructure.gov.au</u>>;

 ^{\$22(1)(a)(ii)}

 @TREASURY.GOV.AU>; Jose, Cameron

 (Department of Finance - Protected) <<u>Cameron.Jose@finance.gov.au</u>>; Christina.Garbin@pmc.gov.au; Werner,

 Stephanie <<u>Stephanie.Werner@infrastructure.gov.au</u>>;

 ^{\$22(1)(a)(ii)}

 @finance.gov.au

 Subject: RE: Bonza TPs for ministers [SEC=OFFICIAL]

OFFICIAL

Thanks Kai

We have shared with our office. Look forward to any updates this morning.

Mohita

Mohita ZaheedFirst Assistant Secretary – Labour Market, Environment, Industry and Infrastructure DivisionP +61 2 6263 $^{s22(1)}_{(a)(ii)}$ M +61 $^{s22(1)(a)(ii)}$

EA Contact: ^{s22(1)(a)(ii)} P +61 2 6263 ^{s22(1)}_{(a)(ii)} E ^{s22(1)(a)(ii)} @treasury.gov.au

treasury.gov.au Langton Crescent, Parkes ACT 2600 Twitter | LinkedIn | Facebook

The Treasury acknowledges the traditional owners of country throughout Australia, and their continuing connection to land, water and community. We pay our respects to them and their cultures and to elders both past and present.

s22(1)(a)(ii) - duplicate email

OFFICIAL

Bonza situation 22 April

- I am aware of the speculation surrounding Bonza Aviation.
- I am unable to provide any advice as to the company's circumstances and suggest you contact Bonza Aviation for comment
- Bonza holds around 1.7 per cent of the domestic aviation market and operates flights to around 21 destinations in Australia.

If asked: has Bonza asked the Australian government for assistance?

- If Bonza had made such an approach, that would be commercial in confidence information.
- It would not be appropriate for me to discuss any such information publicly.

If asked: would you consider providing assistance if asked?

- Any request for assistance would be taken seriously by the Australian Government and given due consideration.
- I am unwilling to speculate further on hypothetical questions.

Bonza voluntary administration

Note: these talking points are drafted for IF Bonza enters voluntary administration in the week of 22 April 2024. As at 21 April, Bonza has not entered into administration.

Talking points

- The Government is aware that Bonza Aviation has appointed a voluntary administrator to resolve the company's future.
- This is a difficult time for Bonza's employees, suppliers and customers. Our sympathies are with all those who face uncertain futures.
- Arrangements for Bonza customers are a matter for Bonza's administrator and the customers themselves.

IF ASKED: Will Bonza stop flying?

• The administrator will decide on the next steps for Bonza, and whether it is appropriate for Bonza to continue trading while in administration.

• We will need to wait for the administrator to work through the issues.

[If flights are grounded] IF ASKED: What should Bonza ticket holders do now?

- Bonza ticket holders who have purchased travel insurance should talk to their insurance providers to see if they are entitled to reimbursement.
- Ticket holders may also be able to register with the administrator as a creditor to Bonza.

IF ASKED: Why didn't the Government step in to support Bonza?

- The Government considers seriously requests for assistance from Australian companies
- In this instance, our focus is on supporting consumers who have been affected during the school holidays and ensuring the rights of Bonza employees are respected

IF ASKED: What does this mean for Bonza employees?

- This is a difficult and uncertain time for Bonza employees.
- The administration process prioritises paying employee entitlements ahead of paying money owed to other creditors.
- The Government's Fair Entitlements Guarantee (FEG) provides a last resort backstop to pay employees entitlements where these cannot be met from other sources.

IF ASKED: Will customers receive refunds for pre-booked tickets?

- The administrator of Bonza will work with its creditors to resolve the company's future. This will include consideration of how to treat pre-booked tickets and flight credits.
- Customers who have purchased travel insurance should contact their insurance providers, to see if they are entitled to reimbursement.

Background

AIP Capital is a UK-based aircraft management firm which leases four aircraft to Bonza Aviation Pty Ltd, an Australian registered company. Press reports (Australian Financial Review, 18 April) suggest Korda Mentha has been appointed by AIP Capital to review its arrangement with Bonza Aviation.

Further press reporting has suggested Bonza is in financial difficulty and may soon be unable to operate its flights. Around 21,000 customers are scheduled to travel with Bonza during the next week of the school holidays (to 29 April). As at 9pm 21 April Bonza was continuing to operate as usual.

s22(1)(a)(ii)

From:	Everist, Kai
Sent:	Tuesday, 30 April 2024 4:25 PM
То:	Werner, Stephanie; PURVIS-SMITH, Marisa
Cc:	s22(1)(a)(ii)
Subject:	RE: FOR INPUT PLEASE: Bonza TPs. [SEC=OFFICIAL]
Attachments:	Bonza (003).docx

OFFICIAL

Sorry, that should say 'now' in administration.

OFFICIAL

From: Everist, Kai Sent: Tuesday, 30 April 2024 4:24 PM To: Werner, Stephanie ; PURVIS-SMITH, Marisa Cc: Subject: FW: FOR INPUT PLEASE: Bonza TPs. [SEC=OFFICIAL] Importance: High

OFFICIAL

Hi Stephanie, Marisa

The MO has asked that we update the TPs on the basis that Bonza is not in administration. See attached.

Can you please clear the red highlighted text.

The remainder of the text should be fine, and reflects other public documents.

FYI - The TPs were prepared by the MO, and we have added to them. Statements about the previous government are from the MO,

Thanks Kai

OFFICIAL

 From: Media < media@infrastructure.gov.au</td>

 Sent: Tuesday, 30 April 2024 4:00 PM

 To: Everist, Kai < Kai.Everist@infrastructure.gov.au</td>

 Cc: Media < media@infrastructure.gov.au</td>

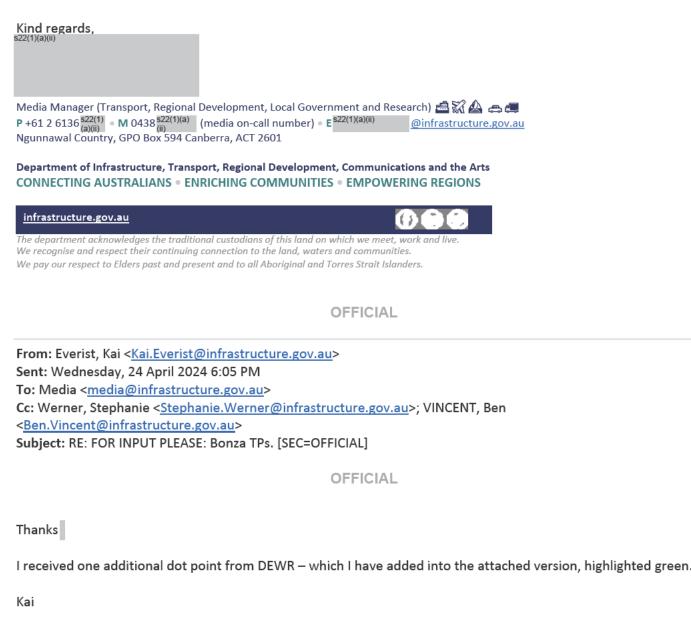
 Subject: RE: FOR INPUT PLEASE: Bonza TPs. [SEC=OFFICIAL]

 Importance: High

FOI 24-423

Hi Kai and ^{s22(1)} (a)(ii)

The C King MO have just asked if there is any change needed to the answers for the attached Bonza q&a, now they have gone into voluntary administration? If you can please advise if any edits will be required or not, and if so what timeline might be possible to get them to us?



OFFICIAL

From: Media <<u>media@infrastructure.gov.au</u>>

Sent: Wednesday, 24 April 2024 5:42 PM

To: Everist, Kai <<u>Kai.Everist@infrastructure.gov.au</u>>

Cc: Werner, Stephanie <<u>Stephanie.Werner@infrastructure.gov.au</u>>; VINCENT, Ben

<<u>Ben.Vincent@infrastructure.gov.au</u>>; Media <<u>media@infrastructure.gov.au</u>>

Subject: RE: FOR INPUT PLEASE: Bonza TPs. [SEC=OFFICIAL]

OFFICIAL

Thanks so much Kai, really appreciate your help, this is now back with the MO.

however the Infrastructure Media Manager^{s22(1)(a)(ii)} will be about to facilitate any further media requests from the MO etc. on this. This media inbox will hence be our best contact as always.

I hope you have a good evening.

Kind Regards, s22(1)(a)(ii)

Media Manager (Transport, Regional Development, Local Government and Research) 🚔 🛣 🖾 🚓 💭 P +61 2 6136 ^{\$22(1)} • M 0438 ^{\$22(1)(a)} (media on-call number) • E ^{\$22(1)(a)(ii)} @infrastructure.gov.au Ngunnawal Country, GPO Box 594 Canberra, ACT 2601

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OFFICIAL

61

 From: Everist, Kai <</td>
 Kai.Everist@infrastructure.gov.au

 Sent: Wednesday, 24 April 2024 5:21 PM

 To: Media <</td>
 media@infrastructure.gov.au

 Cc: Werner, Stephanie <</td>
 Stephanie.Werner@infrastructure.gov.au

 Ben.Vincent@infrastructure.gov.au

 Subject: RE: FOR INPUT PLEASE: Bonza TPs. [SEC=OFFICIAL]
 @infrastructure.gov.au

OFFICIAL

HI

See attached TPs with additions highlighted blue.

Thanks Kai

OFFICIAL

From: Media <<u>media@infrastructure.gov.au</u>> Sent: Wednesday, 24 April 2024 2:11 PM To: Everist, Kai <<u>Kai.Everist@infrastructure.gov.au</u>> Cc: Werner, Stephanie <<u>Stephanie.Werner@infrastructure.gov.au</u>>; VINCENT, Ben <<u>Ben.Vincent@infrastructure.gov.au</u>>; ^{\$22(1)(a)(ii)} @infrastructure.gov.au</sub>>; Media <<u>media@infrastructure.gov.au</u>>; Subject: FOR INPUT PLEASE: Bonza TPs. [SEC=OFFICIAL] Importance: High

OFFICIAL

Hi Kai,

OFFICIAL

Please see attached a statement and Q&A for Bonza the C King MO are seeking urgently. As well as usual clearances, we particularly need input to fill gaps at the highlighted sections please.

Happy to discuss and to assist with pulling together any further lines.

Kind Regards, s22(1)(a)(ii)

 Media Manager (Transport, Regional Development, Local Government and Research)

 P +61 2 6136

 (a)(ii)

 • M 0438

 (iii)

 (media on-call number)

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 • M 0438

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 (media on-call number)

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 (a)(iii)

 (a)(iii)

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We recognise and respect their continuing connection to the land, waters and communities. We pay our respect to Elders past and present and to all Aboriginal and Torres Strait Islanders.

BONZA

Proposed holding statement

The Minister is aware of media reports regarding Bonza. The Government expects Australian travellers to be kept informed regarding flight schedules and to have their consumer rights respected.

If asked [prior to administration] – has the Government been asked to assist?

I am unable to comment on the financial affairs of a private company.

If pressed: officials from my Department have been in contact with Bonza. I am unable to provide any further information.

If asked [prior to administration] – will the Government consider assisting?

The Government's first priority is the safety of the travelling public.

Bonza should prioritise ensuring its customers are able to return home. I am not aware of any report that Bonza is unable to arrange the return of customers.

If pressed: The government is not considering providing financial support to Bonza.

Proposed reactive statement (if/when administration is confirmed)

We understand Bonza has now entered voluntary administration.

This is disappointing news, particularly for customers with booked travel and staff who will be impacted.

The airline industry has always been tough and even with private equity backing, not all ventures have or will be successful in the long term.

Our focus right now is on assisting staff and Australian travellers who have been impacted particularly during this school holiday period.

Customers who have been affected should

- seek further information from the airline and the administrator
- check with your travel insurer what support is available to you
- contact your bank or financial institution to see if payments to Bonza can be reversed through a 'charge-back'
- register as a creditor with the administrator

<u>Q&A</u>

• Why won't the government bail them out?

Our understanding is that Bonza is owned by a private equity firm based in the United States.

As a general rule, the Australian Government does not provide bail outs to offshore private equity holders.

As I have stated, the Government's concern is the safety of Australian consumers who may be stranded away from their home destination.

• Didn't the government give Qantas money to stay afloat during COVID?

Qantas was contracted to provide a domestic network service during the COVID period through a series of grant payments.

• Didn't the government give Rex money to stay afloat during COVID?

While I am not going to weigh into decision the previous Government made, the context was very different during COVID when global aviation was largely shut down.

• Didn't you in opposition call on the then Government to take an equity stake in Virgin?

We were rightly critical of the then-Government hanging Virgin workers out to dry, just as we criticised them denying JobKeeper to essential aviation workers and encouraging air traffic controllers to retire.

[get further information from department on options for employees]

In this case, the government will liaise with the administrators to understand the plight of the bonza employees, whether there is capacity for the company to meet its obligation to pay the employee entitlements, or whether the FEG Scheme might be called upon in a subsequent liquidation

What will the government do about stranded passengers?

[While it is up to Bonza to ensure their customers are cared for, I encourage other airlines to assist in helping travellers get home safely to loved ones.]

[Note: the Department is preparing advice to Minister King on options to support passengers get home]

• Will consumers be compensated?

Customers should register as a creditor with the administrator.

Consumer rights for passengers are critical and are being considered as part of the Aviation White Paper.

• How are consumers protected under the law?

The ACCC has published advice on consumer rights in the case of voluntary administration: [https://www.accc.gov.au/consumers/protecting-yourself/when-abusiness-goes-bust]

• What will happen to employees?

About 270 people work for Bonza airlines, and this would be an incredibly difficult day for all of them.

The government will liaise with the administrators to understand the plight of the bonza employees, whether there is capacity for the company to meet its obligation to pay the employee entitlements, or whether the Fair Entitlements Guarantee Scheme might be called upon in a subsequent liquidation.

Under Australian law, the administrator will prioritise paying the entitlements of Bonza employees, ahead of money owed to Bonza's creditors.

The Government's Fair Entitlements Guarantee Scheme also provides a last resort backstop to pay employees entitlements where these cannot be obtained from other sources.

The Government provides assistance for retrenched workers and their partners to access training and employment support that will help them into new jobs. In the case of large closures, an on-the-ground Transition Support Network provides employers and their workers with information about the support available in their region. This Network is made up of the Government's Employment Facilitators, departmental staff, Services Australia, and other community stakeholders.

• Won't this make regional air-travel more concentrated? What is the Government doing about domestic competition?

The Albanese Government wants an aviation sector that supports our nation's way of life and is reliable, competitive and affordable – backed by robust consumer rights.

In recent years it is clear the sector has not met the expectations of Australian travellers, which is why we have been working on the Aviation White Paper to set the scene for the next generation of growth and development across the aviation sector and consider how we can better protect the interests of consumers.

Our recent reforms to Sydney Airport will also give more airlines better access to slots at our most significant airport, helping further grow competition by increasing transparency of slot allocation and use, strengthening compliance and enforcement arrangements for slot misuse, and rebalancing slot allocation towards new entrants.

The Coalition says you should bail Bonza out?

It's interesting to see the Coalition's sudden fervour to save Bonza when they chose not to throw a lifeline to Virgin in 2020 when the organisation went into voluntary administration.

Background

Virgin Australia requested \$1.4 billion from the Australian Government in April 2020 (debts of \$6.8 billion) which was denied by the Coalition Government. The company went into voluntary administration until it was bought by Bain Capital for \$3.5 billion in September 2020.

Bonza makes up 1.7% of the Australian domestic market.

[insert further background].

Bonza advised the Department that around 223,000 people had booked to travel with Bonza between 21 April and 26 October 2024.

Bonza operates a fleet of six aircraft, all of which it leases. Bonza operates four Boeing 737 MAX 8 aircraft under lease from AIP Capital LLC (an aviation asset management firm based in the UK). Bonza has a 'wet lease' arrangement (aircraft and crew are both supplied) for a further two Boeing 737 aircraft with Flair Airlines, a Canadian-based airline. The two wet leased Flair aircraft are not currently in operation.

Flair Airlines and Bonza Aviation are both owned by Miami-based private investment firm 777 Partners. AIP Capital was previously owned by 777 Partners as its aviation asset management arm but Jordan has advised 777 no longer owns AIP.

Press reports (Australian Financial Review, 18 April) suggest Korda Mentha has been appointed by AIP Capital to review its arrangement with Bonza Aviation. Further press reporting has suggested Bonza is in financial difficulty and may soon be unable to operate its flights.

Released under the FOI Act 1982 by the Department of Infrastructure, Transport, Regional Development, Communications and the Arts

s42

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OFFICIAL

Hi Maggie, ^{s22(1)(a)(ii)}

See below notes from the meeting with Hall Chadwick as discussed

Thanks

Kai

Attendees

- s47F , Hall Chadwick
- s47F , Hall Chadwick
- ^{s47F}, Norton Rose Fulbright
 - s47F , Norton Rose Fulbright
- Marisa Purvis-Smith, DITRDCA
- Chris Burke, General Counsel, DITRDCA
- Reuben Bowd, DITRDCA
- Kai Everist, DITRDCA

Discussion

• s47F

- Hall Chadwick has only had the administrator appointment for a matter of hours since midday
- Press release has been sent out to media
- The fleet of aircraft is grounded
- Appears not a great deal of cash sitting in the Bonza accounts
- Primary concern is how to get the airline back up and running.
- Looking for potential funding from third parties
- Media speculation about possibility of federal government assistance
- There are approx. 300 Bonza employees
- Since their appointment earlier today, administrators have reached out to secured creditors, suppliers, lessors, employees, customers of Bonza
- Intend to have meetings tomorrow morning
- Will work with the CFO tomorrow to go through the books
- Approx 200,000 forward bookings including flights, accommodation, holidays
- All figures are approximate, until they can go through the detail
- Marisa Purvis-Smith
 - Key focus areas for the department are:
 - How long the planes will be grounded
 - Communication with Bonza customer
 - Ministers is getting a lot of questions, important that she has up to date information about what is going on
 - Minister asked us this morning to set up hotline
 - we are directing passengers to other airlines
 - our focus is on stranded passengers mid-trip, not people yet to leave home

- Other airlines don't fly into all the same airports as Bonza
 - may not be able to assist in all cases
 - People may need to get themselves to other airports and to get a flight home
- The other airlines are looking for some advice on how long the situation will go for. We won't pass on any commercial info to other airlines, but any info we can provide, in terms of the passenger numbers and locations would be helpful
- s47F
 - Once we have further updates on the status of scheduled flights, will get information to passengers
 - Is there any potential for government financial assistance and what information would the government need?
- Marisa Purvis-Smith
 - Government officials are not working on any financial support package for Bonza
- s47F
 - Lot of moving parts. Administrator would be happy to provide daily updates.
 - How long with Government hotline run?
 - Can department share the script for the hotline call centre?
- Marisa Purvis-Smith
 - We should be able to share the script. Do not see any issue.
 - \circ It is very flat. We are directing people to other airlines to rebook travel
 - Call centre will run to 10pm today, and reopen at 7am tomorrow
 - We will look update our website and social media posts make clear the hotline will continue tomorrow
- Chris Burke Press release does not include much information about Bonza employees, can you provide an update?
- o s47F
 - Administrators are meeting with internal employees at 7pm tonight.
 - The Fair Entitlement Guarantee team (DEWR) has been in touch.
 - It is too early to provide advice on future employment prospects for employees
- Marisa Purvis-Smith do you still want to have a meeting with the Minister?
- s47F no. no longer required

Actions arising

- Arrange next meeting between DITRDCA and Hall Chadwick at 4pm tomorrow (1 May 2024)
- Kai Everist to provide contact details and coordinate for DITRDCA

Kai Everist (he/him)

Assistant Secretary • Aviation White Paper Domestic Aviation and Reform Division <u>Kai.Everist@infrastructure.gov.au</u> P +61 2 6274 ^{\$22(1)} • M +61 ^{\$22(1)(a)(ii)} GPO Box 594 Canberra, ACT 2601

Department of Infrastructure, Transport, Regional Development, Communications and the Arts CONNECTING AUSTRALIANS • ENRICHING COMMUNITIES • EMPOWERING REGIONS

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I would like to acknowledge the traditional custodians of this land on which we meet, work and live. I recognise and respect their continuing connection to the land, waters and communities. I pay my respects to Elders past and present and to all Aboriginal and Torres Strait Islanders.



s22(1)(a)(ii)	
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From:	Everist, Kai	5
Sent:	Tuesday, 30 April 2024 10:31 PM	<u> </u>
То:	PURVIS-SMITH, Marisa	
Cc:	Werner, Stephanie	ott
Subject:	Bonza voluntary administration - timeline of departmental activity - 30 April 2024 [SEC=OFFICIAL:Sensitive]	tru
Attachments:	Bonza voluntary administration.docx	Ū.
		<u></u> La
	OFFICIAL:Sensitive	Ę
		Ę
Hi Marisa		U
		1
As discussed, atta administration.	ached is a summary and timeline of events in the Department today, related to the Bonza Volu	ntary

Please advise any edits/additions.

Happy to include more detail from my notes from various meetings, if you think useful.

Thanks Kai

OFFICIAL:Sensitive

Bonza voluntary administration – 30 April 2024

Timeline of departmental activity

Time	Event
(approximate)	
7:40am	Minister King's office advised the Department that it understood all Bonza flights
	on the morning of 30 April 2024 had been cancelled.
8:00am – 8:15	s47E(d), s47F, s47G(1)(b)
am	
8:00am –	
8:15am	
8:00 – 8:30am	Minister King spoke to Qantas and Virgin Australia, and asked the airlines to
	assist Bonza passengers who are currently travelling to return home, without any
	government funding. The airlines agreed.
8:40am	Maria Purvis-Smith and Kai Everist spoke to Minister King and advisors in the
	minister's office to update the situation. Minister King asked the Department to
	establish a dedicated phone hotline to take calls from Bonza passengers who
0.000 m	need assistance rebooking flights with other airlines. Maria Purvis-Smith, Kai Everist and ^{s22(1)(a)(ii)} met with PM&C, Treasury and
9:00am	
9:30am	Finance officials to update the situation. s47E(d), s47F, s47G(1)(b)
5.30am	
10.00 –	Maria Purvis-Smith and Kai Everist spoke to Minister King and her office to
	Maria Purvis-Smith and Kai Everist spoke to Minister King and her office to
10:30am	update them on the advice from Bonza.
10:30am 10:30 –	update them on the advice from Bonza. Maria Purvis-Smith and Kai Everist spoke to:
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10:30am 10:30 –	update them on the advice from Bonza. Maria Purvis-Smith and Kai Everist spoke to: • s47F at Qantas – to discuss arrangements for Qantas and Jetstar to assist Bonza passengers affected by cancelled flights to return
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10:00 – 10:30am 10:30 – 10:50am	 update them on the advice from Bonza. Maria Purvis-Smith and Kai Everist spoke to: s47F at Qantas – to discuss arrangements for Qantas and Jetstar to assist Bonza passengers affected by cancelled flights to return home s47F at Virgin Australia – to discuss arrangements for Virgin Australia to assist Bonza passengers affected by cancelled flights to
10:30am 10:30 –	 update them on the advice from Bonza. Maria Purvis-Smith and Kai Everist spoke to: s47F at Qantas – to discuss arrangements for Qantas and Jetstar to assist Bonza passengers affected by cancelled flights to return home s47F at Virgin Australia – to discuss arrangements for Virgin Australia to assist Bonza passengers affected by cancelled flights to return home
10:30am 10:30 –	 update them on the advice from Bonza. Maria Purvis-Smith and Kai Everist spoke to: s47F at Qantas – to discuss arrangements for Qantas and Jetstar to assist Bonza passengers affected by cancelled flights to return home s47F at Virgin Australia – to discuss arrangements for Virgin Australia to assist Bonza passengers affected by cancelled flights to return home s47F at Virgin Australia – to discuss arrangements for Virgin Australia to assist Bonza passengers affected by cancelled flights to return home s47F at the Australian Airports Association – to discuss how
10:30am 10:30 –	 update them on the advice from Bonza. Maria Purvis-Smith and Kai Everist spoke to: s47F at Qantas – to discuss arrangements for Qantas and Jetstar to assist Bonza passengers affected by cancelled flights to return home s47F at Virgin Australia – to discuss arrangements for Virgin Australia to assist Bonza passengers affected by cancelled flights to return home

	 Maree Bridger – to discuss establishing a hotline for Bonza passengers to call the Department for advice on rebooking travel
10:50am	Meeting with Maree Bridger, Tony Castley and others in the IT area to discuss
11.00	practicalities of establishing a hotline.
11:00 – 11:20am	Meeting of Transport Group SES and corporate group representatives to organize
11:30am	departmental staff to man the hotline
11:30am	Kai Everist spoke to DEWR to update the situation.
11:45am	Minister King gave a doorstop media conference to discuss the Bonza situation
11 50	and announce the departmental hotline.
11:50am	First script for hotline finalized and circulated to staff.
12:00pm	Hotline opened for calls.
12:20pm	 Maria Purvis-Smith and Kai Everist spoke to Pip Spence about any safety regulatory issues that may arise due to the cancelled flights and potential administration of Bonza, who advised: CASA considers an airline's solvency when granting an Air Operator Certificate, but does not have an ongoing role in monitoring airlines' solvency
	 If Bonza entered voluntary administration, there may be some approvals from CASA required for it to continue trading.
12:10pm	The Department became of reports in the AFR that Hall Chadwick had been appointed as the administrator of Bonza.
12:30pm	s47E(d), s47F, s47G(1)(b)
12:45pm	Minister King's office asked the Department to issue a media team and social media posts advising of the hotline and support available from other airlines.
1:15pm	Hotline script updated to make clear that the government is focused on people who are currently travelling, with travel booked today, and are not in a position to assist passengers with travel booked after today.
2:40pm	s47E(d), s47F, s47G(1)(b)
2:50pm	Maria Purvis-Smith and Kai Everist spoke to Minister King and her office to update them on the advice from Bonza.
3:00pm	Departmental media release published on the Department's website and provided to select journalists.
3:00pm	Training session on 'managing difficult conversations' held for departmental staff working on the hotline

3:50pm	Information posted on the department's social media channels, advising of the government hotline and assistance available to passengers from other airlines
4:25pm	s47E(d), s47F, s47G(1)(b)
4:30pm	Maria Purvis-Smith and Kai Everist met with PM&C, Treasury, Finance and DEWR officials to update the situation.
4:40pm	Minister King's office advised that Hall Chadwick had requested a meeting with the Minister. Marisa-Purvis Smith agreed she would meet with the administrator in the first instance.
5:50pm	Kai Everist provided talking points to Minister King's office on the Bonza voluntary administration situation.
6:10pm	 Maria Purvis-Smith, Kai Everist, Chris Burke and Reuben Dowd met with Hall Chadwick (the administrator) and Norton Rose Fulbright (legal advisers to the administrator). The meeting discussed: Initial focus areas for the administrator – engaging with Bonza creditors, lessors, employees and customers, and understanding the financial position of Bonza That flights are currently cancelled until 2 May and that a decision on flights beyond that date would be taken in coming days Whether the Government would consider providing financial support to the administrators. The Department advised that government officials are not working on any financial support package for Bonza Ongoing arrangements for the government hotline. The department confirmed that the hotline would be shut down at 10pm and reopen at 7am on 1 May Whether Hall Chadwick still wanted a meeting with Minister King. Hall Chadwick confirmed that it no longer requested a meeting with the Minister
6:20pm	Hotline script updated to advise callers that Bonza flights have been cancelled until 1 May 2024, and that airlines would continue to provide assistance to Bonza passengers until that time, and that the Government hotline continue operating beyond 30 April
6:40pm	Maria Purvis-Smith and Kai Everist spoke to Minister King's office to update the situation.
6:45pm	Maria Purvis-Smith and Kai Everist spoke to PM&C to update the situation.
8:25pm	Kai Everist circulated talking points on the Bonza voluntary administration to PM&C, Treasury and Finance
9:20pm	Hotline script updated to refer to information in Hall Chadwick's media release
10:00pm	Departmental hotline closed for the day, having received 1,449 calls.
•	

s22(1)(a)(ii)

From:Everist, KaiSent:Wednesday, 1 May 2024 11:34 AMTo:Werner, StephanieSubject:Bonza Talking Points 1 May 2024 [SEC=OFFICIAL]Attachments:Bonza Talking Points 1 May 2024.docx

OFFICIAL

Hi Stephanie

Are you able to clear updates to the talking points - for me to circulate to other agencies.

Thanks

Kai

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BONZA voluntary administration

Statement

Bonza Aviation has now entered voluntary administration.

This is disappointing news, particularly for customers with booked travel and staff who will be impacted.

The airline industry has always been tough and even with private equity backing, not all ventures have or will be successful in the long term.

The Government's focus right now is on assisting Bonza staff and Australian travellers who have been impacted.

At this stage, Bonza has cancelled all flights between Tuesday 30 April 2024 and Thursday 2 May 2024, inclusive.

Beyond that, Bonza flights have not been cancelled, and it will now be a matter for the administrator to determine whether Bonza can continue to operate flights beyond those dates.

The Department of Infrastructure has set up a dedicated hotline number, **1800 069 244**, to assist affected passengers. The hotline is open from 7am to 10pm until 2 May 2024.

The Hotline is available for Bonza passengers requiring advice, including on the options available to help get them home.

Qantas, Virgin Australia and Jetstar are willing to assist affected Bonza passengers, including re-booking passengers who need to return to their home port. Passengers can contact the airlines directly:

- Qantas on 13 13 13
- Virgin Australia on 13 67 89
- Jetstar on 13 15 38 or Jetstar live chat

The administrator of Bonza, Hall Chadwick, has set up a separate hotline for Bonza customers who want to enquire about their entitlements – **03 8678 1600**.

Customers who have been affected can also:

- check with your travel insurer what support is available to you
- contact your bank or financial institution to see if payments to Bonza can be reversed through a 'charge-back'
- register as a creditor with the administrator.

OFFICIAL:Sensitive

OFFICIAL:Sensitive

Key facts and figures

As at 11:30am on 1 May 2024, I understand that:

- The Government hotline has received over 2,000 calls from Bonza passengers.
- Virgin Australia has made over 500 re-bookings for Bonza passengers. Bookings are often for more than one passenger, so the number of passengers rebooked is likely to be much higher.
- Qantas has rebooked over 150 Bonza passengers
- Jetstar has rebooked over 250 Bonza passengers.

<u>Q&A</u>

• Why won't the government bail out Bonza?

The Government is not considering providing any financial assistance to Bonza or the administrator.

Now that Bonza is under the control of an administrator, it is up to the administrator to determine the best possible way forward.

The Government's primary concern is the safety of Australian consumers who may be stranded away from their home destination.

How long will the Government hotline operate?

At this stage, the hotline will operate until 10pm, Thursday 2 May 2024.

Operations beyond that date will be considered once more information is available about Bonza operations.

Did Bonza ask the Government for help?

Officials from the Department of Infrastructure and Transport have been engaging with Bonza, and have met with the administrator, Hall Chadwick.

It would not be appropriate to go into the detail of the Government's engagement with Bonza at this time.

• Didn't the government give Qantas money to stay afloat during COVID?

Qantas was contracted to provide a domestic network service during the COVID period, through a series of grant payments.

• Didn't the government give Rex money to stay afloat during COVID?

While I am not going to weigh into decision the previous Government made, the context was very different during COVID when global aviation was largely shut down.

OFFICIAL:Sensitive

• Didn't you in opposition call on the then Government to take an equity stake in Virgin?

We were rightly critical of the then-Government hanging Virgin workers out to dry, just as we criticised them denying JobKeeper to essential aviation workers and encouraging air traffic controllers to retire.

In this case, the government will liaise with the administrators to understand the plight of the Bonza employees, whether there is capacity for the company to meet its obligation to pay the employee entitlements, or whether the FEG Scheme might be called upon in a subsequent liquidation

• What will the government do about stranded passengers?

The Department of Infrastructure has set up a dedicated hotline number, **1800 069 244**, to assist affected passengers. The hotline will be available between 7am and 10pm, until 2 May 2024 for Bonza passengers requiring advice, including on the options available to help get them home.

Qantas, Virgin Australia and Jetstar are all willing to assist passengers impacted by the situation, including re-booking passengers who need to return to their home port. Passengers may also contact these airlines directly:

- Qantas on 13 13 13
- Virgin Australia on 13 67 89
- Jetstar on 13 15 38 or Jetstar live chat.
- Will consumers be compensated?

Customers should register as a creditor with the administrator.

The administrator of Bonza, Hall Chadwick, has set up a hotline for Bonza customers who want to enquire about their entitlements – **03 8678 1600**.

Consumer rights for passengers are critical and are being considered as part of the Aviation White Paper.

• How are consumers protected under the law?

The ACCC has published advice on consumer rights in the case of voluntary administration: [https://www.accc.gov.au/consumers/protecting-yourself/when-a-business-goes-bust]

• What will happen to Bonza employees?

About 270 people work for Bonza, and this would be an incredibly difficult time for all of them.

The Government will liaise with the administrators to understand the plight of the Bonza employees, whether there is capacity for the company to meet its obligation to

pay the employee entitlements, or whether the Fair Entitlements Guarantee Scheme might be called upon in a subsequent liquidation.

Under Australian law, the administrator will prioritise paying the entitlements of Bonza employees, ahead of money owed to Bonza's creditors.

The Government's Fair Entitlements Guarantee Scheme also provides a last resort backstop to pay employees entitlements where these cannot be obtained from other sources.

The Government provides assistance for retrenched workers and their partners to access training and employment support that will help them into new jobs. In the case of large closures, an on-the-ground Transition Support Network provides employers and their workers with information about the support available in their region. This Network is made up of the Government's Employment Facilitators, departmental staff, Services Australia, and other community stakeholders.

• Won't this make regional air-travel more concentrated? What is the Government doing about domestic competition?

The Albanese Government wants an aviation sector that supports our nation's way of life and is reliable, competitive and affordable – backed by robust consumer rights.

In recent years it is clear the sector has not met the expectations of Australian travellers, which is why we have been working on the Aviation White Paper to set the scene for the next generation of growth and development across the aviation sector and consider how we can better protect the interests of consumers.

Our recent reforms to Sydney Airport will also give more airlines better access to slots at our most significant airport, helping further grow competition by increasing transparency of slot allocation and use, strengthening compliance and enforcement arrangements for slot misuse, and rebalancing slot allocation towards new entrants.

The Coalition says you should bail Bonza out?

It's interesting to see the Coalition's sudden fervour to save Bonza when they chose not to throw a lifeline to Virgin in 2020 when the organisation went into voluntary administration.

If asked: when did you know about Bonza's financial position?

On 18 April 2024, the Government became aware of speculation about Bonza's financial position, following a report in the Australian Federal Review.

The Government was advised that Bonza had entered into voluntary administration the afternoon of 30 April 2024.

OFFICIAL:Sensitive

Background

In December 2023, Bonza made up 1.7% of the Australian domestic market.

Bonza had operated a fleet of six aircraft, all of which were leased. Bonza operated four Boeing 737 MAX 8 aircraft under lease from AIP Capital LLC (an aviation asset management firm based in the UK). Bonza also had a 'wet lease' arrangement (aircraft and crew are both supplied) for a further two Boeing 737 aircraft with Flair Airlines, a Canadian airline.

On 30 April 2024, Bonza cancelled all scheduled flights without notice. In the afternoon of 30 April, Bonza entered voluntary administration and appointed Hall Chadwick as the administrator.

From: Sent: To: Cc: Subject: Attachments:	Everist, Kai Thursday, 2 May 2024 9:09 AM VINCENT, Ben; ^{s22(1)(a)(ii)} @austrade.gov.au; ^{s22(1)(a)(ii)} @austrade.gov.au RE: Bonza TPs/background for Austrade [SEC=OFFICIAL] Bonza Talking Points 1 May 2024 (002).docx	of Infrastructure,	Arts
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Also, FYI these TPs	s were drafted for ministers, but should be fine for officials to use as well.		and
	OFFICIAL	nent	SUC
To: VINCENT, Ben Cc: ^{\$22(1)(a)(ii)}	May 2024 9:08 AM ; ^{s22(1)(a)(ii)} @austrade.gov.au; a TPs/background for Austrade [SEC=OFFICIAL]	Department	nunicatic
	OFFICIAL	the	OM
Hi ^{s22(1)} (a)(ii)		þ	Ŭ
See attached TPs, Thanks Kai	updated yesterday. We will have a new version later today, which I will send through.	Act 1982	elopment
	OFFICIAL	0)ev
Sent: Thursday, 2 To: ^{s22(1)(a)(ii)} Cc: ^{s22(1)(a)(ii)}	en < <u>Ben.Vincent@infrastructure.gov.au</u> > May 2024 8:37 AM <u>@infrastructure.gov.au</u> >; Everist, Kai < <u>Kai.Everist@infrastructure.g</u> <u>@austrade.gov.au</u> za TPs/background for Austrade [SEC=OFFICIAL]		gional E
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 Date: Thursday, 2 May 2024 at 7:43:51 am

s22(1)(a)(ii)

OFFICIAL

Hi Ben

A quick request from us to please have the latest off-the-shelf TPs or background on the Bonza issue. We have a senior officials meeting with State and Territory tourism agencies today at 12:30 and want to make sure we have a consistent message at that meeting. Being added to any distro lists would be great, I'm sure the issue continues to move quickly.

Happy to chat directly to someone in your branch. Apologies for the direct email, it must be very busy at the moment. We're keeping an eye on Minister King's public comments to, but there doesn't appear to have been anything since the 30th. ^{\$22(1)}
^{(a)(ii)}

s22(1)(a)(ii)
 Manager
 Visitor Economy Access
 Visitor Economy and Client Programs Division
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 A: Level 2, Nishi Building, 2 Phillip Law Street Canberra ACT 2601, Australia
 W: www.austrade.gov.au
 www.tra.gov.au
 W: www.austrade.gov.au







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 From:
 s22(1)(a)(ii)
 [Canberra]

 Sent:
 Wednesday, May 1, 2024 11:48 AM

 To:
 s22(1)(a)(ii)
 @infrastructure.gov.au

 Subject:
 RE:
 Contact for Bonza TPs [SEC=OFFICIAL]

FOI 24-423

Hi^{s22(1)(a)(ii)} I appreciate that it must be incredibly busy at the moment. This is just a request to be looped in on any cross-government / internal TPs and briefing so we can keep our Exec and Minister's office up to date. Obviously the collapse of a domestic airline has big implications for tourism.

Happy to discus ^{s22(1)} (a)(ii)	SS.	
From: s22(1)(a)(ii)	@infrastructure.gov.au>	
Sent: Wednesda	ay, May 1, 2024 11:28 AM	
To: s22(1)(a)(ii)	@infrastructure.gov.au>	
Cc: s22(1)(a)(ii)	[Canberra] ^{\$22(1)(a)(ii)} @austrade.gov.au>; ^{\$22(1)(a)(ii)} [Canberra]	
s22(1)(a)(ii)	@austrade.gov.au>; ^{s22(1)(a)(ii)} [Melbourne] < s22(1)(a)(ii) @austrade.gov.au>;	
s22(1)(a)(ii)	@infrastructure.gov.au>; ^{s22(1)(a)(ii)}	-
	@infrastructure.gov.au>	
Subject: FW: Co Importance: Hig	ontact for Bonza TPs [SEC=OFFICIAL] gh	
	OFFICIAL	
Hi ^{s22(1)(a)}		
Austrade are seek	king any TP's, QTB updates and to be added to any distribution lists on the Bonza issue.	
Could someone in	n the team please reach out to $s^{22(1)(a)(ii)}$ (cc'd).	(
	(
Thank you		
s22(1)(a)(ii)		
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Director Internatio	ional Policy and Regulation	0
	ion Branch International Aviation, Technology and Services	(
s22(1)(a)(ii) <u>@ir</u>	infrastructure.gov.au	
P +61 2 6136 ^{s22(1)} (a)(ii)		
GPO Box 594 Canbe	erra, ACT 2601	<
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<u>infrastructure.go</u>	ov.au 🕜 💮 🗇	
I recognise and respec	wledge the traditional custodians of this land on which we meet, work and live. ct their continuing connection to the land, waters and communities. Elders past and present and to all Aboriginal and Torres Strait Islanders.	
	OFFICIAL	
	OFFICIAL	
From: s22(1)(a)(ii)	@austrade.gov.au < s22(1)(a)(ii) @austrade.gov.au>	
Sent: Wednesda	ay, 1 May 2024 11:13 AM	
To: s22(1)(a)(ii)	@infrastructure.gov.au>	
Cc: s22(1)(a)(ii)	@austrade.gov.au; s22(1)(a)(ii) @austrade.gov.au; s22(1)(a)(ii)	
	@infrastructure.gov.au>; ^{\$22(1)(a)(ii)} @infrastructure.gov.au>	
Subject: Contac	ct for Bonza TPs [SEC=OFFICIAL]	ſ
Importance: Hig	e h	

Document 25

FOI 24-423

OFFICIAL

Hi^{s22(1)(a)(ii)}

I know the collapse of a domestic airline is not in your remit! But I hope you could put me in touch with the relevant area in Infra on the Bonza issue? We're really just after the latest TPs, including for QTB updates, and ideally to be added to any distro lists if there is information being shared.

Happy to chat and go direct to the relevant contact if that's easier. $(a)^{(i)}$

s22(1)(a)(ii)
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 www.tra.gov.au



Australian Government Australian Trade and Investment Commission





Austrade acknowledges the traditional owners of this country throughout Australia and their continuing connection to land, waters and community. We pay our respects to them and their cultures, and to elders both past and present.

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BONZA voluntary administration

Statement

Bonza Aviation has now entered voluntary administration.

This is disappointing news, particularly for customers with booked travel and staff who will be impacted.

The Government's focus right now is on assisting Bonza staff and Australian travellers who have been impacted.

At this stage, Bonza has cancelled all flights between Tuesday 30 April 2024 and Thursday 2 May 2024, inclusive.

Beyond that, Bonza flights have not been cancelled, and it will now be a matter for the administrator to determine whether Bonza can continue to operate flights beyond those dates.

The Department of Infrastructure has set up a dedicated hotline number, **1800 069 244**, to assist affected passengers. The hotline is open from 7am to 10pm until 2 May 2024.

The Hotline is available for Bonza passengers requiring advice, including on the options available to help get them home.

Qantas, Virgin Australia and Jetstar are willing to assist affected Bonza passengers, including re-booking passengers who need to return to their home port. Passengers can contact the airlines directly:

- Qantas on 13 13 13
- Virgin Australia on 13 67 89
- Jetstar on 13 15 38 or Jetstar live chat

The administrator of Bonza, Hall Chadwick, has set up a separate hotline for Bonza customers who want to enquire about their entitlements – **03 8678 1600**.

Customers who have been affected can also:

- check with your travel insurer what support is available to you
- contact your bank or financial institution to see if payments to Bonza can be reversed through a 'charge-back'
- register as a creditor with the administrator.

OFFICIAL:Sensitive

Key facts and figures

As at 11:30am on 1 May 2024, I understand that:

- The Government hotline has received over 2,000 calls from Bonza passengers.
- Virgin Australia has made over 500 re-bookings for Bonza passengers. Bookings are often for more than one passenger, so the number of passengers rebooked is likely to be much higher.
- Qantas has rebooked over 150 Bonza passengers
- Jetstar has rebooked over 250 Bonza passengers.

<u>Q&A</u>

• Why won't the government bail out Bonza?

The Government is not considering providing any financial assistance to Bonza or the administrator.

Now that Bonza is under the control of an administrator, it is up to the administrator to determine the best possible way forward.

The Government's primary concern is the safety of Australian consumers who may be stranded away from their home destination.

• How long will the Government hotline operate?

At this stage, the hotline will operate until 10pm, Thursday 2 May 2024.

Operations beyond that date will be considered once more information is available about Bonza operations.

• Did Bonza ask the Government for help?

Officials from the Department of Infrastructure and Transport have been engaging with Bonza, and have met with the administrator, Hall Chadwick.

It would not be appropriate to go into the detail of the Government's engagement with Bonza at this time.

• What will the government do about stranded passengers?

The Department of Infrastructure has set up a dedicated hotline number, **1800 069 244**, to assist affected passengers. The hotline will be available between 7am and 10pm, until 2 May 2024 for Bonza passengers requiring advice, including on the options available to help get them home.

Qantas, Virgin Australia and Jetstar are all willing to assist passengers impacted by the situation, including re-booking passengers who need to return to their home port. Passengers may also contact these airlines directly:

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Communications

OFFICIAL:Sensitive

- Qantas on 13 13 13
- Virgin Australia on 13 67 89
- Jetstar on 13 15 38 or Jetstar live chat.

• Will consumers be compensated?

Customers should register as a creditor with the administrator.

The administrator of Bonza, Hall Chadwick, has set up a hotline for Bonza customers who want to enquire about their entitlements – **03 8678 1600**.

Consumer rights for passengers are critical and are being considered as part of the Aviation White Paper.

• How are consumers protected under the law?

The ACCC has published advice on consumer rights in the case of voluntary administration: [https://www.accc.gov.au/consumers/protecting-yourself/when-a-business-goes-bust]

• What will happen to Bonza employees?

About 270 people work for Bonza, and this would be an incredibly difficult time for all of them.

The Government will liaise with the administrators to understand the plight of the Bonza employees, whether there is capacity for the company to meet its obligation to pay the employee entitlements, or whether the Fair Entitlements Guarantee Scheme might be called upon in a subsequent liquidation.

Under Australian law, the administrator will prioritise paying the entitlements of Bonza employees, ahead of money owed to Bonza's creditors.

The Government's Fair Entitlements Guarantee Scheme also provides a last resort backstop to pay employees entitlements where these cannot be obtained from other sources.

The Government provides assistance for retrenched workers and their partners to access training and employment support that will help them into new jobs. In the case of large closures, an on-the-ground Transition Support Network provides employers and their workers with information about the support available in their region. This Network is made up of the Government's Employment Facilitators, departmental staff, Services Australia, and other community stakeholders.

• Won't this make regional air-travel more concentrated? What is the Government doing about domestic competition?

The Government wants an aviation sector that supports our nation's way of life and is reliable, competitive and affordable – backed by robust consumer rights.

OFFICIAL:Sensitive

OFFICIAL:Sensitive

In recent years it is clear the sector has not met the expectations of Australian travellers, which is why we have been working on the Aviation White Paper to set the scene for the next generation of growth and development across the aviation sector and consider how we can better protect the interests of consumers.

Recent reforms to Sydney Airport will also give more airlines better access to slots at our most significant airport, helping further grow competition by increasing transparency of slot allocation and use, strengthening compliance and enforcement arrangements for slot misuse, and rebalancing slot allocation towards new entrants.

Background

In December 2023, Bonza made up 1.7% of the Australian domestic market.

Bonza had operated a fleet of six aircraft, all of which were leased. Bonza operated four Boeing 737 MAX 8 aircraft under lease from AIP Capital LLC (an aviation asset management firm based in the UK). Bonza also had a 'wet lease' arrangement (aircraft and crew are both supplied) for a further two Boeing 737 aircraft with Flair Airlines, a Canadian airline.

On 30 April 2024, Bonza cancelled all scheduled flights without notice. In the afternoon of 30 April, Bonza entered voluntary administration and appointed Hall Chadwick as the administrator.

s22(1)(a)(ii)

From:Everist, KaiSent:Thursday, 2 May 2024 3:54 PMTo:Werner, StephanieSubject:Bonza Talking Points 2 May 2024 [SEC=OFFICIAL]Attachments:Bonza Talking Points 2 May 2024.docx

OFFICIAL

Hi Stephanie

Can you please clear for me to send out to other agencies.

Will drop round a hard copy.

Thanks Kai

OFFICIAL

Ð Department of Infrastruct Arts tDe and unications FOI Act 1982 by the I 0 Development Released under the Regional Transport

BONZA voluntary administration

Statement

Bonza Aviation has now entered voluntary administration.

This is disappointing news, particularly for customers with booked travel and staff who will be impacted.

The Government's focus right now is on assisting Bonza staff and Australian travellers who have been impacted.

At this stage, Bonza has cancelled all flights between Tuesday 30 April 2024 and Tuesday 7 May 2024, inclusive.

Beyond that, Bonza flights have not been cancelled, and it is now a matter for the administrator to determine whether Bonza can continue to operate flights beyond those dates.

The Department of Infrastructure has set up a dedicated hotline number, **1800 069 244**, to assist affected passengers. The hotline is open from 7am to 10pm until 2 May 2024.

The Hotline is available for Bonza passengers requiring advice, including on the options available to help get them home.

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Customers who have been affected can also:

- check with your travel insurer what support is available to you
- contact your bank or financial institution to see if payments to Bonza can be reversed through a 'charge-back'
- register as a creditor with the administrator.

FOI 24-423 OFFICIAL:Sensitive

Key facts and figures

As at midday on 2 May 2024, I understand that:

- The Government hotline has received over 2,800 calls from Bonza passengers.
 - 1,449 calls on 30 April
 - 967 calls on 1 May
 - Over 400 calls so far on 2 May.
- Qantas, Jetstar and Virgin Australia have rebooked over 3,000 Bonza passengers
 - Jetstar has rebooked over 1,430 passengers
 - Virgin Australia has re-booked over 1,650 passengers.

* Qantas figures are not currently available

<u>Q&A</u>

• Why won't the Government bail out Bonza?

The Government is not considering providing any financial assistance to Bonza or the administrator.

Now that Bonza is under the control of an administrator, it is up to the administrator to determine the best possible way forward.

The Government's primary concern is the safety of Australian consumers who may be stranded away from their home destination.

• How long will the Government hotline operate?

At this stage, the hotline will operate until 10pm, Thursday 2 May 2024.

Operations beyond that date will be considered once more information is available about Bonza operations.

• Did Bonza ask the Government for help?

Officials from the Department of Infrastructure have been engaging with Bonza and the administrator, Hall Chadwick.

It would not be appropriate to go into the detail of the Government's engagement with Bonza at this time.

OFFICIAL:Sensitive

What will the Government do about stranded passengers?

The Department of Infrastructure has set up a dedicated hotline number, **1800 069 244**, to assist affected passengers. The hotline will be available between 7am and 10pm, until 2 May 2024 for Bonza passengers requiring advice, including on the options available to help get them home.

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Passengers may contact these airlines directly:

- Qantas on 13 13 13
- Virgin Australia on 13 67 89
- Jetstar on 13 15 38 or Jetstar live chat.

• Will consumers be compensated?

The administrator of Bonza, Hall Chadwick, issued a media release on 1 May 2024, stating "the Administrators and/or the Company are not in a position to process or issue refunds at this time."

Bonza customers who are out of pocket should register as a creditor with the administrator.

The administrator has set up a hotline for Bonza customers who want to enquire about their entitlements – **03 8678 1600**.

Consumer rights for airline passengers are critical and are being considered as part of the Aviation White Paper.

• How are consumers protected under the law?

The ACCC has published advice on consumer rights in the case of voluntary administration: [https://www.accc.gov.au/consumers/protecting-yourself/when-a-business-goes-bust]

• What will happen to Bonza employees?

I understand that about 320 people work for Bonza, and this would be an incredibly difficult time for all of them.

The Government will liaise with the administrators to understand the plight of the Bonza employees, whether there is capacity for the company to meet its obligation to pay the employee entitlements, or whether the Fair Entitlements Guarantee Scheme might be called upon in a subsequent liquidation.

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OFFICIAL:Sensitive

The Government's Fair Entitlements Guarantee is a safety net scheme of last resort that funds certain outstanding employee entitlements of eligible employees whose former employer has entered liquidation or bankruptcy.

The Government provides assistance for retrenched workers and their partners to access training and employment support that will help them into new jobs. In the case of large closures, an on-the-ground Transition Support Network provides employers and their workers with information about the support available in their region. This Network is made up of the Government's Employment Facilitators, departmental staff, Services Australia, and other community stakeholders.

• Won't this make regional air-travel more concentrated? What is the Government doing about domestic airline competition?

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Recent reforms to Sydney Airport will also give more airlines better access to slots at our most significant airport, helping further grow competition by increasing transparency of slot allocation and use, strengthening compliance and enforcement arrangements for slot misuse, and rebalancing slot allocation towards new entrants.

Background

In December 2023, Bonza made up 1.7% of the Australian domestic market.

Bonza had operated a fleet of six aircraft, all of which were leased. Bonza operated four Boeing 737 MAX 8 aircraft under lease from AIP Capital LLC (an aviation asset management firm based in the UK). Bonza also had a 'wet lease' arrangement (aircraft and crew are both supplied) for a further two Boeing 737 aircraft with Flair Airlines, a Canadian airline.

On 30 April 2024, Bonza cancelled all scheduled flights without notice. In the afternoon of 30 April, Bonza entered voluntary administration and appointed Hall Chadwick as the administrator.

Document 27

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s22(1)(a)(ii)		
From: Sent: To: Subject: Attachments:	Everist, Kai Thursday, 2 May 2024 4:03 PM CARR,Henry; Zaheed, Mohita; Christina.Garbin@pmc.gov.au; Werner, Stephanie; RE: Bonza TPs for ministers [SEC=OFFICIAL] Bonza Talking Points 2 May 2024.docx	structure
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Hi all		ofl
See attached upd	ated TPs for today.	ţ
Thanks Kai		artme
	OFFICIAL	
To: 'CARR,Henry' Christina.Garbin@	r, 1 May 2024 12:28 PM ; Zaheed, Mohita ; ^{s22(1)(a)(ii)} ; Jose, Cameron (Department of Finance - Protected) ; @pmc.gov.au; Werner, Stephanie ; ^{s22(1)(a)(ii)} @finance.gov.au a TPs for ministers [SEC=OFFICIAL] OFFICIAL	1982 hv the
Thanks Henry		t
I've updated the ⁻	TPs to remove that line.	
I am planning to s	end further TPs later today, with updated numbers and to reflect any changes in the situation.	C
Kai		r tho
	OFFICIAL	
	y < <u>Henry.Carr@dewr.gov.au</u> > , 1 May 2024 12:08 PM	
	<u>(ai.Everist@infrastructure.gov.au</u> >; Zaheed, Mohita < <u>Mohita.Zaheed@treasury.gov.au</u> >; ^{s22(1)(a)(ii)}	J

<<u>@TREASURY.GOV.AU</u>>; Jose, Cameron (Department of Finance - Protected)
<<u>Cameron.Jose@finance.gov.au</u>>; <u>Christina.Garbin@pmc.gov.au</u>; Werner, Stephanie

<Stephanie.Werner@infrastructure.gov.au>; s22(1)(a)(ii) @finance.gov.au

Subject: RE: Bonza TPs for ministers [SEC=OFFICIAL]

Hi thanks Kai, I would suggest you lose the below, that isn't really the role of the VA, it's probably a nod to the waterfall in s556 that binds liquidators, who are all about realising the estate and <u>paying creditors</u>, rather the VA's focus is (together with the creditors) <u>determining the company's future.</u>

Under Australian law, the administrator will prioritise paying the entitlements of Bonza employees, ahead of money owed to Bonza's creditors.

From: Everist, Kai < <u>Kai.Everist@infrastructure.gov.au</u> >	
Sent: Wednesday, May 1, 2024 11:40 AM	Č
To: Zaheed, Mohita < <u>Mohita.Zaheed@treasury.gov.au</u> >; ^{s22(1)(a)(ii)}	@TREASURY.GOV.AU>; Jose, Cameron
(Department of Finance - Protected) <cameron.jose@finance.gov.au>; Christ</cameron.jose@finance.gov.au>	tina.Garbin@pmc.gov.au; Werner,
Stephanie < Stephanie. Werner@infrastructure.gov.au>; \$22(1)(a)(ii) @finance	e.gov.au; CARR,Henry
< <u>Henry.Carr@dewr.gov.au</u> >	
	Li Li

Subject: RE: Bonza TPs for ministers [SEC=OFFICIAL]

CAUTION: This email originated from outside of the organisation. Do not click links or open attachments u	nless you
recognise the sender and know the content is safe.	Ċ

OFFICIAL

Hi all

Updated TPs attached, with changes highlighted.

These include the latest numbers we have for hotline calls and passengers re-booked on other airlines.

Henry – the TPs include points provided by DEWR previously. Let me know if you think any changes are required to that section.

Thanks Kai

OFFICIAL

 From: Everist, Kai

 Sent: Tuesday, 30 April 2024 8:25 PM

 To: 'Zaheed, Mohita' <<u>Mohita.Zaheed@treasury.gov.au</u>>;

 ^{\$22(1)(a)(ii)}

 @TREASURY.GOV.AU>; Jose,

 Cameron (Department of Finance - Protected) <<u>Cameron.Jose@finance.gov.au</u>>; <u>Christina.Garbin@pmc.gov.au</u>;

 Werner, Stephanie <<u>Stephanie.Werner@infrastructure.gov.au</u>>;

 Subject: RE: Bonza TPs for ministers [SEC=OFFICIAL]

OFFICIAL

Hi all

See attached the updated TPs, provided to our office this evening.

You will note these have some political lines, referring to the previous government, that were included by our office

Thanks Kai OFFICIAL

From: Zaheed, Mohita < <u>Mohita.Zaheed@treasury.gov.au</u> >	
Sent: Monday, 22 April 2024 7:45 AM	
To: Everist, Kai < <u>Kai.Everist@infrastructure.gov.au</u> >; ^{s22(1)(a)(ii)}	@TREASURY.GOV.AU>; Jose, Cameron
(Department of Finance - Protected) < <u>Cameron.Jose@finance.gov.au</u> >;	Christina.Garbin@pmc.gov.au; Werner,
Stephanie < <u>Stephanie.Werner@infrastructure.gov.au</u> >; ^{s22(1)(a)(ii)}	finance.gov.au
Subject: RE: Bonza TPs for ministers [SEC=OFFICIAL]	
s22(1)(a)(ii) - duplicate email	

OFFICIAL

Released under the FOI Act 1982 by the Department of Infrastructure, Transport, Regional Development, Communications and the Arts

BONZA voluntary administration

Statement

Bonza Aviation has now entered voluntary administration.

This is disappointing news, particularly for customers with booked travel and staff who will be impacted.

The Government's focus right now is on assisting Bonza staff and Australian travellers who have been impacted.

At this stage, Bonza has cancelled all flights between Tuesday 30 April 2024 and Tuesday 7 May 2024, inclusive.

Beyond that, Bonza flights have not been cancelled, and it is now a matter for the administrator to determine whether Bonza can continue to operate flights beyond those dates.

The Department of Infrastructure has set up a dedicated hotline number, **1800 069 244**, to assist affected passengers. The hotline is open from 7am to 10pm until 2 May 2024.

The Hotline is available for Bonza passengers requiring advice, including on the options available to help get them home.

Qantas, Virgin Australia and Jetstar are willing to assist affected Bonza passengers, including re-booking passengers who need to return to their home port. Passengers can contact the airlines directly:

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Customers who have been affected can also:

- check with your travel insurer what support is available to you
- contact your bank or financial institution to see if payments to Bonza can be reversed through a 'charge-back'
- register as a creditor with the administrator.

OFFICIAL:Sensitive

Key facts and figures

As at midday on 2 May 2024, I understand that:

- The Government hotline has received over 2,800 calls from Bonza passengers.
 - 1,449 calls on 30 April
 - 967 calls on 1 May
 - Over 400 calls so far on 2 May.
- Qantas, Jetstar and Virgin Australia have rebooked over 3,000 Bonza passengers
 - Jetstar has rebooked over 1,430 passengers
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* Qantas figures are not currently available

<u>Q&A</u>

• Why won't the Government bail out Bonza?

The Government is not considering providing any financial assistance to Bonza or the administrator.

Now that Bonza is under the control of an administrator, it is up to the administrator to determine the best possible way forward.

The Government's primary concern is the safety of Australian consumers who may be stranded away from their home destination.

• How long will the Government hotline operate?

At this stage, the hotline will operate until 10pm, Thursday 2 May 2024.

Operations beyond that date will be considered once more information is available about Bonza operations.

• Did Bonza ask the Government for help?

Officials from the Department of Infrastructure have been engaging with Bonza and the administrator, Hall Chadwick.

It would not be appropriate to go into the detail of the Government's engagement with Bonza at this time.

What will the Government do about stranded passengers?

The Department of Infrastructure has set up a dedicated hotline number, **1800 069 244**, to assist affected passengers. The hotline will be available between 7am and 10pm, until 2 May 2024 for Bonza passengers requiring advice, including on the options available to help get them home.

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The administrator has set up a hotline for Bonza customers who want to enquire about their entitlements $-03\ 8678\ 1600$.

Consumer rights for airline passengers are critical and are being considered as part of the Aviation White Paper.

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I understand that about 320 people work for Bonza, and this would be an incredibly difficult time for all of them.

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OFFICIAL:Sensitive

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On 30 April 2024, Bonza cancelled all scheduled flights without notice. In the afternoon of 30 April, Bonza entered voluntary administration and appointed Hall Chadwick as the administrator.

FOI 24-423

s22(1)(a)(ii)		_	
From: Sent: To: Subject: Attachments:	Everist, Kai Friday, 3 May 2024 1:07 PM CARR,Henry; Zaheed, Mohita; Christina.Garbin@pmc.gov.au; Werner, Stephanie; RE: Bonza TPs for ministers [SEC=OFFICIAL] Bonza Talking Points 3 May 2024.docx	istru ct ure,	Arts
	OFFICIAL	ifrast	he
Hi all See attached upda developments.	ated TPs for today. This will likely be the last update until next week, unless there are significant	ent of In	ns and t
Thanks Kai		epartm	inication
	OFFICIAL		ЫС
To: 'CARR,Henry' 'Christina.Garbin@	May 2024 4:56 PM ; 'Zaheed, Mohita' ; ^{\$22(1)(a)(ii)} ; 'Jose, Cameron (Department of Finance - Protected)' ; @pmc.gov.au' ; Werner, Stephanie ; ' ^{\$22(1)(a)(ii)} @finance.gov.au' a TPs for ministers [SEC=OFFICIAL] OFFICIAL	1982 by the	nent, Com
FYI, Minister King	has announced the Government hotline will cease at 5pm Friday Thousands assisted to get home	Åct	alopr
after Bonza flight	cancellations Ministers for the Department of Infrastructure		Deve
	OFFICIAL	Ð	a
To: 'CARR,Henry' < ^{\$22(1)(a)(ii)} @TREA < <u>Cameron.Jose@</u> Stephanie < <u>Steph</u> ^{\$22(1)(a)(ii)} @fi Subject: RE: Bonza	May 2024 4:42 PM < <u>Henry.Carr@dewr.gov.au</u> >; 'Zaheed, Mohita' < <u>Mohita.Zaheed@treasury.gov.au</u> >; ^{\$22(1)(a)(ii)} <u>SURY.GOV.AU</u> >; 'Jose, Cameron (Department of Finance - Protected)' <u>finance.gov.au</u> >; 'Christina.Garbin@pmc.gov.au' < <u>Christina.Garbin@pmc.gov.au</u> >; Werner, <u>anie.Werner@infrastructure.gov.au</u> >; ^{\$22(1)(a)(ii)} <u>@finance.gov.au</u> ' <u>a TPs for ministers [SEC=OFFICIAL]</u> OFFICIAL	Released under th	Transport, Region
Hi all.			

Updated TPs attached. Only change is to the facts and figures – with new info provided by Qantas and Jetstar.

FOI 24-423

Document 28

OFFICIAL

 From: Everist, Kai

 Sent: Thursday, 2 May 2024 4:03 PM

 To: 'CARR,Henry' < Henry.Carr@dewr.gov.au</td>

 "@TREASURY.GOV.AU

 '' @TREASURY.GOV.AU

 '' @TREASURY.GOV.AU

 '' Cameron.Jose@finance.gov.au

 '' Christina.Garbin@pmc.gov.au'

 Stephanie < Stephanie.Werner@infrastructure.gov.au</td>

 '' @finance.gov.au

 '' @finance.gov.au

Subject: RE: Bonza TPs for ministers [SEC=OFFICI/ s22(1)(a)(ii) - duplicate email Infrastruct ATIS and the unications Jevelopmen Kedional SDOL lran

BONZA voluntary administration

Statement

Bonza Aviation has gone into voluntary administration, and I understand the majority of Bonza's 320 staff have been stood down.

This is disappointing news, particularly for Bonza staff and customers with booked travel.

The Government's focus right now is on assisting Bonza staff and Australian travellers who have been affected.

At this stage, Bonza has cancelled all flights between Tuesday 30 April 2024 and Tuesday 7 May 2024, inclusive.

Beyond that, Bonza flights have not been cancelled, and it is now a matter for the administrator to determine whether Bonza can continue to operate flights beyond those dates.

Qantas, Virgin Australia and Jetstar have agreed to re-book Bonza passengers whose flight were cancelled and need to return to their home airport, at no charge.

The Australian Government Department of Infrastructure has set up a temporary hotline number, **1800 069 244**, to assist affected passengers. The hotline will operate until 5pm Friday 3 May 2024.

After 5pm Friday, affected Bonza passengers can continue to contact Qantas, Virgin Australia and Jetstar, for assistance to make alternate bookings:

- Qantas on **13 13 13**
- Virgin Australia on **13 67 89**
- Jetstar on **13 15 38** or Jetstar live chat.

Callers to the Government hotline after 5pm Friday will hear a recorded message, advising them to contact the airlines directly to make alternate bookings.

The administrator of Bonza, Hall Chadwick, has set up a separate hotline for Bonza customers who want to enquire about their entitlements – **03 8678 1600**.

Customers who have been affected can also:

- check with your travel insurer what support is available to you
- contact your bank or financial institution to see if payments to Bonza can be reversed through a 'charge-back'
- register as a creditor with the administrator.

Key facts and figures

As at 1:00pm on 3 May 2024, I understand that:

- The Government hotline has received over 3,000 calls from Bonza passengers.
 - 1,449 calls on 30 April
 - o 967 calls on 1 May
 - o 531 calls on 2 May
 - \circ 130 calls so far on 3 May.
- Qantas, Virgin Australia and Jetstar have rebooked over 6,000 Bonza passengers
 - Qantas has made over 2,280 re-bookings *
 - Virgin Australia has re-booked over 1,370 passengers
 - Jetstar has made over 2,530 re-bookings *

* Qantas and Jetstar figures are for the number of 'bookings', which can include more than one passenger. The number of passengers rebooked will be higher.

<u>Q&A</u>

• Why won't the Government bail out Bonza?

The Government is not considering providing any financial assistance to Bonza or the administrator.

Now that Bonza is under the control of an administrator, it is up to the administrator to determine the best possible way forward.

The Government's primary concern is the safety of Australian consumers who may be stranded away from their home destination.

• How long will the Government hotline operate?

The hotline will operate until 5pm Friday 3 May 2024.

After 5pm Friday, affected Bonza passengers can continue to contact Qantas, Virgin Australia and Jetstar, for assistance to make alternate bookings:

- Qantas on 13 13 13
- Virgin Australia on 13 67 89
- Jetstar on 13 15 38 or Jetstar live chat.

Callers to the Government hotline after 5pm Friday will hear a recorded message, advising them to contact the airlines directly to make alternate bookings.

• Did Bonza ask the Government for help?

Officials from the Department of Infrastructure have been engaging with Bonza and the administrator, Hall Chadwick.

It would not be appropriate to go into the detail of the Government's engagement with Bonza at this time.

• What will the Government do about stranded passengers?

The Department of Infrastructure has been providing advice to affected Bonza passengers through a temporary dedicated hotline, including on options available to help get them home. The hotline will operate until 5pm Friday 3 May 2024.

Qantas, Virgin Australia and Jetstar are all willing to assist passengers impacted by the situation, including re-booking passengers who need to return to their home airport, at no charge.

Passengers may contact these airlines directly:

- Qantas on 13 13 13
- Virgin Australia on 13 67 89
- Jetstar on 13 15 38 or Jetstar live chat.

• Will consumers be compensated?

The administrator of Bonza, Hall Chadwick, issued a media release on 1 May 2024, stating "the Administrators and/or the Company are not in a position to process or issue refunds at this time."

Bonza customers who are out of pocket should register as a creditor with the administrator.

The administrator has set up a hotline for Bonza customers who want to enquire about their entitlements – **03 8678 1600**. Customers can also email the administrator at bonzacustomers@hallchadwick.com.au

Consumer rights for airline passengers are critical and are being considered as part of the Aviation White Paper.

• How are consumers protected under the law?

The ACCC has published advice on consumer rights in the case of voluntary administration: [https://www.accc.gov.au/consumers/protecting-yourself/when-a-business-goes-bust]

• What will happen to Bonza employees?

I understand that about 320 people work for Bonza, and this would be an incredibly difficult time for all of them.

The administrator of Bonza, Hall Chadwick, announced late on Thursday 2 May that the majority of Bonza staff have been stood down.

The Government will liaise with the administrators to understand the plight of the Bonza employees, whether there is capacity for the company to meet its obligation to pay the employee entitlements, or whether the Fair Entitlements Guarantee Scheme might be called upon in a subsequent liquidation.

The Government's Fair Entitlements Guarantee is a safety net scheme of last resort that funds certain outstanding employee entitlements of eligible employees whose former employer has entered liquidation or bankruptcy.

The Government provides assistance for retrenched workers and their partners to access training and employment support that will help them into new jobs. In the case of large closures, an on-the-ground Transition Support Network provides employers and their workers with information about the support available in their region. This Network is made up of the Government's Employment Facilitators, departmental staff, Services Australia, and other community stakeholders.

• Won't this make regional air-travel more concentrated? What is the Government doing about domestic airline competition?

The Government wants an aviation sector that supports our nation's way of life and is reliable, competitive and affordable – backed by robust consumer rights.

In recent years it is clear the sector has not met the expectations of Australian travellers, which is why we have been working on the Aviation White Paper to set the scene for the next generation of growth and development across the aviation sector and consider how we can better protect the interests of consumers.

Recent reforms to Sydney Airport will also give more airlines better access to slots at our most significant airport, helping further grow competition by increasing transparency of slot allocation and use, strengthening compliance and enforcement arrangements for slot misuse, and rebalancing slot allocation towards new entrants.

Background

In December 2023, Bonza made up 1.7% of the Australian domestic market.

Bonza had operated a fleet of six aircraft, all of which were leased. Bonza operated four Boeing 737 MAX 8 aircraft under lease from AIP Capital LLC (an aviation asset management firm based in the UK). Bonza also had a 'wet lease' arrangement (aircraft and crew are both supplied) for a further two Boeing 737 aircraft with Flair Airlines, a Canadian airline.

On 30 April 2024, Bonza cancelled all scheduled flights without notice. In the afternoon of 30 April, Bonza entered voluntary administration and appointed Hall Chadwick as the administrator.

From:	Werner, Stephanie
Sent:	Monday, 6 May 2024 12:11 PM
То:	Everist, Kai
Subject:	RE: Notes from the 5 May 2024 meeting wtih ^{s47F}
	[SEC=OFFICIAL:Sensitive]

OFFICIAL:Sensitive

Here are mine – please see if there's anything I have that you don't, thank you, Stephanie

Sunday 5 May ^{847F} Sunday, 5 May 2024 6:30 PM s47E(d), s47F, s47G(1)(b) epartment of Infrastructure Communications and the Arts Development, 1982 Kegional Transport, aseo R B

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Sent: Monday, 6 May 2024 12:05 PM	
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Hi Stephanie	0
	FFICIAL:Sensitive]
Below are my notes from the call with ^{s47F} last night. Let me know any changes.	\square
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Attendees:	982 by
Marisa Purvis-Smith	N
Stephanie Werner	00
Kai Everist	
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Discussion	Ž
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547 S(1)(a), 542	
s47E(d), s47F, s47G(1)(b)	
	unde

- Marisa Purvis-Smith •
- Hall Chadwick has been keeping us up to date, at a high level. We have asked for information so we could understand the situation facing passengers, and facilitate the Government's hard astronomy stranded passengers. 0 stranded passengers

Follow-up officials meeting



Kai Everist (he/him)

Assistant Secretary • Aviation White Paper Domestic Aviation and Reform Division <u>Kai.Everist@infrastructure.gov.au</u> **P** +61 2 6274 6904 • **M** +61 466 562 707 GPO Box 594 Canberra, ACT 2601

Department of Infrastructure, Transport, Regional Development, Communications and the Arts CONNECTING AUSTRALIANS • ENRICHING COMMUNITIES • EMPOWERING REGIONS

nfrastructure.gov.au

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I would like to acknowledge the traditional custodians of this land on which we meet, work and live. I recognise and respect their continuing connection to the land, waters and communities. I pay my respects to Elders past and present and to all Aboriginal and Torres Strait Islanders.

and the

Development,

Regional

Transport,

s22(1)(a)(ii)		_
From: Sent: To: Cc: Subject: Attachments:	Media Wednesday, 8 May 2024 9:51 AM ^{s22(1)(a)(ii)} s ^{22(1)(a)(ii)} s ^{22(1)(a)(ii)} Media RE: Bonza [SEC=OFFICIAL] Bonza Talking Points 7 May 2024.docx	982 by the Department of Infrastructure,
Categories:	J	fra
	OFFICIAL	of In
Hi all,		șnt
See attached upd	ated Bonza TPs, reflecting the latest announcements from the administrator.	me
Kind Regards, s22(1)(a)(ii)		Dart
P +61 2 6136 ^{s22(1)} ●	nsport, Regional Development, Local Government and Research) 🚔 💥 🙆 🚙 💭 M 0438 ^{S22(1)(a)} (media on-call number) • E ^{S22(1)(a)(ii)} <u>@infrastructure.gov.au</u> GPO Box 594 Canberra, ACT 2601	the Dep
	tructure, Transport, Regional Development, Communications and the Arts	2 by
We recognise and respec	edges the traditional custodians of this land on which we meet, work and live. Idedges the traditional custodians of this land on which we meet, work and live. It their continuing connection to the land, waters and communities. Iders past and present and to all Aboriginal and Torres Strait Islanders.	Act 1982
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	OFFICIAL	0
Hi folk,		ease
Attached is the up	odated Bonza TPs with latest numbers and info from the administrator, for everyone's visibility.	Re

Kind regards, s22(1)(a)(ii)

Communications and the Arts

Regional Development,

Transport,

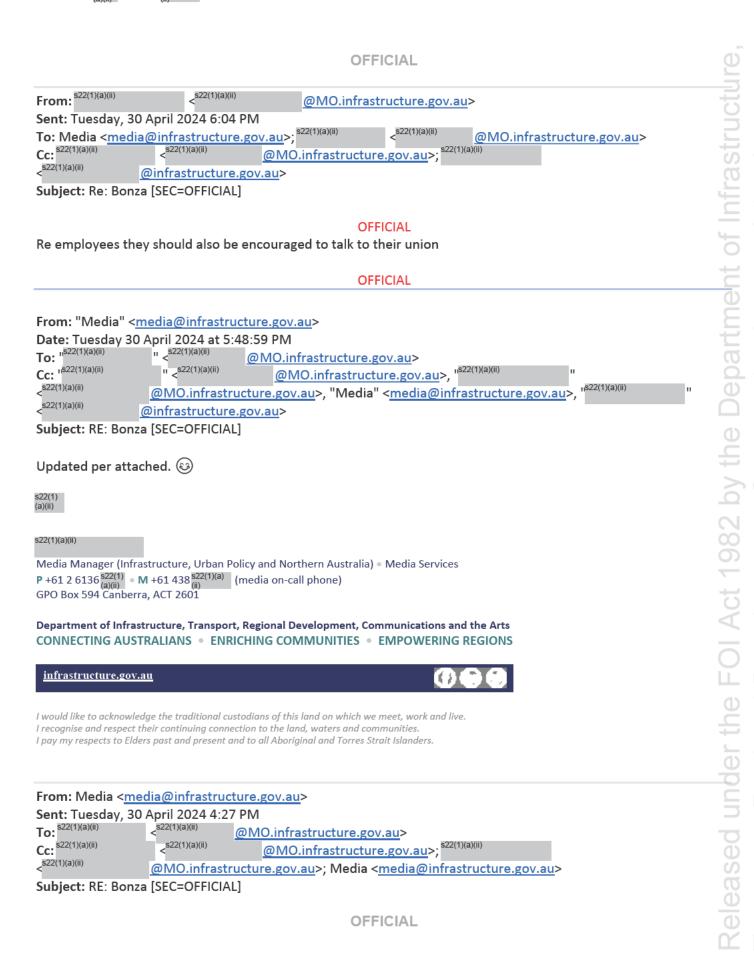
Media Manager (Transport, Regional D 9 +61 2 6136 ^{\$22(1)} • M 0438 ^{\$22(1)(a)} Igunnawal Country, GPO Box 594 Can	evelopment, Local Government and Research) 🚔 🛣 🖾 🚐 💭 (media on-call number) 🔹 E ^{S22(1)(a)(ii)} @infrastructure.gov.au perra, ACT 2601	Ç
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infrastructure.gov.au	0	
	al custodians of this land on which we meet, work and live. onnection to the land, waters and communities.	
Ve pay our respect to Elders past and prese	nt and to all Aboriginal and Torres Strait Islanders.	j. L
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rom: ^{s22(1)(a)(ii)} < ^{s22(1)(a)(ii)} Sent: Wednesday, 1 May 2024 :	<u>@MO.infrastructure.gov.au</u> > L:45 PM	
Sec: Media < media@infrastructu s22(1)(a)(ii) < 222(1)(a)(ii)	<u>ire.gov.au</u> > @infrastructure.gov.au>	ŝ
Subject: RE: Bonza [SEC=OFFICI.		t
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This is what our TPs look like no	w with your latest update.	<u>+</u>
Will let you know if anything ch	anges.	ć
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Cheers,		0
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rom: Media < <u>media@infrastru</u>		
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s22(1)(a)(ii) @infrastructu	re.gov.au>; Media < <u>media@infrastructure.gov.au</u> >	
Subject: RE: Bonza [SEC=OFFICI.	ALJ	Cocod the FOL A
	OFFICIAL	
Morning,		
	we have suggested amending one of the responses – as it may r	

s22(1)(a)(ii)

FOI 24-423

and the

Development



There will be some updates to the QAs ^{\$22(1)(a)(ii)} Our subject experts are just clearing the updates to make sure it's all good and then we'll send on through to you. Kind regards, ^{\$22(1)(a)(ii)}

Released under the FOI Act 1982 by the Department of Infrastructure

Regional Development, Communications and the Arts

Transport,

FOI 24-423

OFFICIAL

From: Media < media@infrastructure.gov.au
OFFICIAL
Just checking with the experts will come back to you as soon as we can.
Kind regards, s22(1)(a)(ii) s22(1)(a)(ii) s22(1)(a)(ii)
Media Manager (Transport, Regional Development, Local Government and Research) 🚔 🛣 🖾 🚐 💭 P +61 2 6136 ^{§22(1)} • M 0438 ^{§22(1)(a)} (media on-call number) • E ^{§22(1)(a)(ii)} @infrastructure.gov.au Ngunnawal Country, GPO Box 594 Canberra, ACT 2601
Department of Infrastructure, Transport, Regional Development, Communications and the Arts CONNECTING AUSTRALIANS • ENRICHING COMMUNITIES • EMPOWERING REGIONS
infrastructure.gov.au The department acknowledges the traditional custodians of this land on which we meet, work and live. We recognise and respect their continuing connection to the land, waters and communities. We pay our respect to Elders past and present and to all Aboriginal and Torres Strait Islanders.
OFFICIAL
From: \$22(1)(a)(ii) @MO.infrastructure.gov.au> Sent: Tuesday, 30 April 2024 3:54 PM To: Media < <u>media@infrastructure.gov.au></u> Cc: \$22(1)(a)(ii) @MO.infrastructure.gov.au>; \$22(1)(a)(ii) \$22(1)(a)(ii) @MO.infrastructure.gov.au>; \$22(1)(a)(ii) @MO.infrastructure.gov.au>; \$22(1)(a)(ii) \$22(1)(a)(ii) @MO.infrastructure.gov.au; \$20(1)(a)(ii) \$20(1)(a)(ii) @MO.infrastructure.gov.au; \$20(1)(a)(ii) \$20(1)(a)(ii) @MO.infrastructure.gov.au; \$20(1)(a)(ii)
OFFICIAL Hello.
Just checking if there is any change to the answers you worked on with ^{\$22(1)(a)(ii)} for the bonza q&a now they have gone into voluntary administration
Cheers, (ii) s22(1)(a)

OFFICIAL

BONZA voluntary administration

Statement

Bonza Aviation has gone into voluntary administration, and the majority of Bonza's 323 staff have been stood down.

This is disappointing news, particularly for Bonza staff and customers with booked travel.

At this stage, Bonza has cancelled all flights between Tuesday 30 April 2024 and Tuesday 14 May 2024, inclusive.

Beyond that, Bonza flights have not been cancelled, and it is now a matter for the administrator to determine whether Bonza can continue to operate flights beyond those dates.

Qantas, Virgin Australia and Jetstar have agreed to re-book Bonza passengers whose flight were cancelled and need to return to their home airport, at no charge.

Affected Bonza passengers can contact Qantas, Virgin Australia and Jetstar, for assistance to make alternate bookings:

- Qantas on 13 13 13
- Virgin Australia on 13 67 89
- Jetstar on 13 15 38 or Jetstar live chat.

The administrator of Bonza, Hall Chadwick, has set up a hotline for Bonza customers who want to enquire about their entitlements – **03 8678 1600**.

Customers who have been affected can also:

- check with your travel insurer what support is available to you
- contact your bank or financial institution to see if payments to Bonza can be reversed through a 'charge-back'
- register as a creditor with the administrator.

OFFICIAL:Sensitive

Key facts and figures – as at 7 May 2024

Qantas, Virgin Australia and Jetstar have rebooked over 8,000 Bonza passengers

- Qantas has made over 2,280 re-bookings *
- Virgin Australia has re-booked over 1,370 passengers
- Jetstar has made over 4,500 re-bookings *

* Qantas and Jetstar figures are for the number of 'bookings', which can include more than one passenger. The number of passengers rebooked will be higher.

A Government hotline operated between Tuesday 30 April and Thursday 2 May 2024 to provide assistance to Bonza passengers to make alternate travel arrangements. The hotline took over 3,000 calls:

- 1,449 calls on 30 April
- 967 calls on 1 May
- 531 calls on 2 May
- 200 calls on 3 May.

<u>Q&A</u>

• Why won't the Government bail out Bonza?

The Government is not considering providing any financial assistance to Bonza or the administrator.

Now that Bonza is under the control of an administrator, it is up to the administrator to determine the best possible way forward.

• Why has the Government shut down its hotline for Bonza customers?

The Government hotline was set up following the cancellation of all Bonza flights, without notice, on Tuesday 30 April 2024.

The hotline operated for four days, to support stranded passengers who needed urgent assistance to make alternate travel arrangements.

Affected Bonza passengers can continue to contact Qantas, Virgin Australia and Jetstar, for assistance to make alternate bookings:

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Callers to the Government hotline after 3 May will hear a recorded message, advising them to contact the airlines directly to make alternate bookings.

Did Bonza ask the Government for help?

Officials from the Department of Infrastructure have been engaging with Bonza and the administrator, Hall Chadwick.

It would not be appropriate to go into the detail of the Government's engagement with Bonza at this time.

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Consumer rights for airline passengers are critical and are being considered as part of the Aviation White Paper.

• How are consumers protected under the law?

The ACCC has published advice on consumer rights in the case of voluntary administration: [https://www.accc.gov.au/consumers/protecting-yourself/when-a-business-goes-bust]

• What will happen to Bonza employees?

I understand that <mark>323</mark> people work for Bonza, and this would be an incredibly difficult time for all of them.

The administrator has stood down 302 of Bonza's 323 employees from Thursday 2 May until Tuesday 14 May 2024. I also understand that many Bonza employees have not been paid all the wages they are owed.

OFFICIAL:Sensitive

The Government is liaising with the administrators to understand the plight of the Bonza employees, whether there is capacity for the company to meet its obligation to pay the employee entitlements, or whether the Fair Entitlements Guarantee Scheme might be called upon in a subsequent liquidation.

The Government's Fair Entitlements Guarantee is a safety net scheme of last resort that funds certain outstanding employee entitlements of eligible employees whose former employer has entered liquidation or bankruptcy.

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