

From: Werner, Stephanie
Sent: Saturday, 20 April 2024 12:28 PM
To: Zaheed, Mohita; Christina Garbin
Cc: PURVIS-SMITH, Marisa; Everist, Kai
Subject: 240420_Bonza Brief.docx ~~[SEC-PROTECTED, CAVEAT-SH.CABINET]~~
Attachments: 240420_Bonza Brief.docx

~~PROTECTED, SH.CABINET~~

Hi Mohita and Christina,

Please find attached a working brief with key points on Bonza and the situation, for use as needed.

Regards
Stephanie

Stephanie Werner

First Assistant Secretary
 Domestic Aviation and Reform Division
Stephanie.Werner@infrastructure.gov.au
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 GPO Box 594 Canberra, ACT 2601

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*I would like to acknowledge the traditional custodians of this land on which we meet, work and live.
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 I pay my respects to Elders past and present and to all Aboriginal and Torres Strait Islanders.*

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From: Garbin, Christina <Christina.Garbin@pmc.gov.au>
Sent: Saturday, 20 April 2024 12:45 PM
To: Zaheed, Mohita
Cc: Werner, Stephanie; PURVIS-SMITH, Marisa; Everist, Kai; ^{s22(1)(a)(ii)} Jose, Cameron (Department of Finance - Protected); ^{s22(1)(a)(ii)} finance.gov.au; ^{s22(1)(a)(ii)} ^{s22(1)(a)(ii)}
Subject: Re: 240420_Bonza Brief.docx [~~SEC-PROTECTED, CAVEAT-SH.CABINET~~]
Attachments: image001.png; image004.png; 240420_Bonza Brief.docx

Thanks Stephanie.

Just confirming for everyone that PMO is aware and will discuss with TO and FMO today.

Cheers
CG

Sent from my iPhone

On 20 Apr 2024, at 12:35 PM, Zaheed, Mohita wrote:

~~PROTECTED//CABINET~~

Thanks Stephanie

I am adding ^{s22(1)(a)(ii)} (leading on this from our side) and also Cameron and ^{s22(1)(a)(ii)} from Finance into this. I have had a quick chat to Cameron – and Finance can assist in options.

Mohita

Mohita Zaheed

First Assistant Secretary – Labour Market, Environment, Industry and Infrastructure Division

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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

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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.

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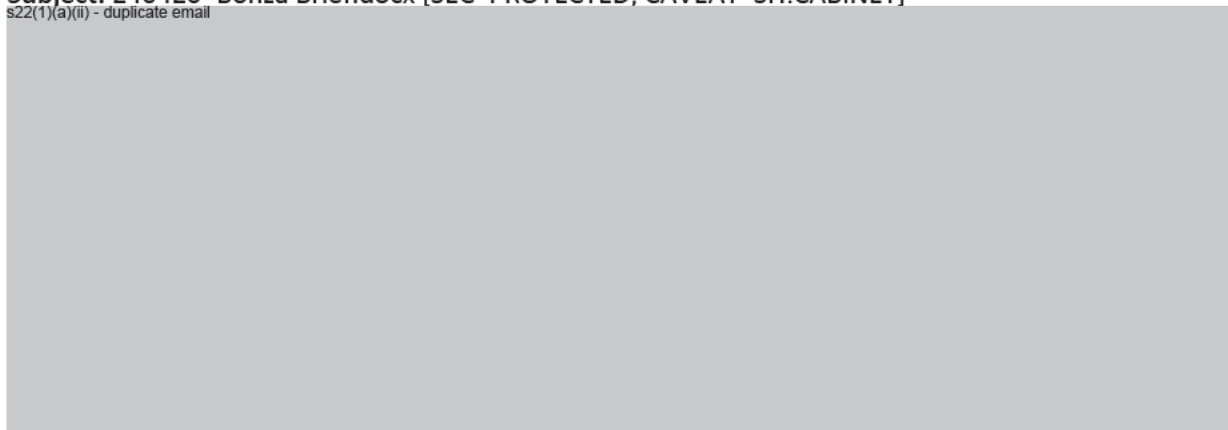
From: Werner, Stephanie

Sent: Saturday, April 20, 2024 12:28 PM

To: Zaheed, Mohita ; Christina Garbin

Cc: PURVIS-SMITH, Marisa ; Everist, Kai

Subject: 240420 Bonza Brief.docx [~~SEC-PROTECTED, CAVEAT-SH.CABINET~~]
s22(1)(a)(ii) - duplicate email



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From: Jose, Cameron <Cameron.Jose@finance.gov.au>
Sent: Saturday, 20 April 2024 12:54 PM
To: Garbin, Christina; Zaheed, Mohita
Cc: Werner, Stephanie; PURVIS-SMITH, Marisa; Everist, Kai; [REDACTED] [REDACTED] [REDACTED]
Subject: Re: 240420_Bonza Brief.docx [SEC=OFFICIAL:Sensitive]

OFFICIAL:Sensitive

Hi Christina.

Appreciate if you can please give me a call when you have a min.

Regards
Cameron.

[REDACTED]

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From: Garbin, Christina
Sent: Saturday, April 20, 2024 12:45:19 PM
To: Zaheed, Mohita
Cc: Werner, Stephanie ; PURVIS-SMITH, Marisa ; Everist, Kai ; [REDACTED] ; Jose, Cameron ; [REDACTED] ; [REDACTED]
Subject: Re: 240420_Bonza Brief.docx [~~SEC-PROTECTED, CAVEAT-SH.CABINET~~]
s22(1)(a)(ii) - duplicate email chain



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From: [redacted] <[redacted]@TREASURY.GOV.AU>
Sent: Saturday, 20 April 2024 1:27 PM
To: Garbin, Christina; Zaheed, Mohita
Cc: Werner, Stephanie; PURVIS-SMITH, Marisa; Everist, Kai; Jose, Cameron (Department of Finance - Protected); [redacted]@finance.gov.au; [redacted]; [redacted]; [redacted]
Subject: RE: 240420_Bonza Brief.docx [~~SEC - PROTECTED, CAVEAT - SH.CABINET~~]

Thanks very much Stephanie.

Appreciate you sharing the material with us.

[redacted]

Thanks,

[redacted]

[redacted] — **A/g Assistant Secretary**

Stakeholder Liaison Branch
Labour Market, Environment, Industry and Infrastructure Division

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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: Garbin, Christina
Sent: Saturday, April 20, 2024 12:45 PM
To: Zaheed, Mohita
Cc: Werner, Stephanie ; PURVIS-SMITH, Marisa ; Everist, Kai ; [redacted] ; Jose, Cameron (Department of Finance - Protected) ; [redacted]@finance.gov.au; [redacted]; [redacted]
Subject: Re: 240420_Bonza Brief.docx [~~SEC - PROTECTED, CAVEAT - SH.CABINET~~]

[redacted] - duplicate email chain

[redacted]

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From: Everist, Kai
Sent: Saturday, 20 April 2024 1:52 PM
To: PURVIS-SMITH, Marisa; Werner, Stephanie
Subject: RE: 240420_Bonza Brief.docx [~~SEC-PROTECTED~~]

~~PROTECTED~~

Hi Marisa, Stephanie



Thanks
Kai

~~PROTECTED~~

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

~~PROTECTED, SH.CABINET~~

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Marisa, a draft brief for your consideration regards Stephanie

~~PROTECTED, OH CABINET~~

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From: Werner, Stephanie
Sent: Saturday, 20 April 2024 4:50 PM
To: Zaheed, Mohita; Christina Garbin
Cc: PURVIS-SMITH, Marisa; Everist, Kai; ^{s22(1)(a)(ii)} Jose, Cameron (Department of Finance - Protected); ^{s22(1)(a)(ii)} finance.gov.au
Subject: Re: 240420_Bonza Brief.docx [~~SEC - PROTECTED, CAVEAT - SH:GABINET~~]

~~PROTECTED~~

Dear All,

Updating that Bonza has advised (via text message) ^{s47G(1)(b), s47E(d)}

^{s47G(1)(b), s47E(d)}

Regards Stephanie


~~PROTECTED~~

From: "Zaheed, Mohita" <Mohita.Zaheed@treasury.gov.au>
Date: Saturday, 20 April 2024 at 12:32:26 pm
To: "Werner, Stephanie" <Stephanie.Werner@infrastructure.gov.au>, "Christina Garbin" <christina.garbin@pmc.gov.au>
Cc: "PURVIS-SMITH, Marisa" <Marisa.PurvisSmith@infrastructure.gov.au>, "Everist, Kai" <Kai.Everist@infrastructure.gov.au>, ^{s22(1)(a)(ii)} <^{s22(1)(a)(ii)} TREASURY.GOV.AU>, "Jose, Cameron (Department of Finance - Protected)" <Cameron.Jose@finance.gov.au>, ^{s22(1)(a)(ii)} finance.gov.au" <^{s22(1)(a)(ii)} finance.gov.au>
Subject: RE: 240420 Bonza Brief.docx [~~SEC - PROTECTED, CAVEAT - SH:GABINET~~]
s22(1)(a)(ii) - duplicate email

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MS24-000703

	<p>Australian Government</p> <hr/> <p>Department of Infrastructure, Transport, Regional Development, Communications and the Arts</p>
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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	
<p>1. That you note the information in this brief about Bonza’s financial position and request for Commonwealth assistance, ^{s47C} [REDACTED]</p>	
Noted / Please Discuss	
The Hon Catherine King MP	Date:
Comments:	

Key Points:

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

[REDACTED]

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.

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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)



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12. [REDACTED] s47E(d), s47F, s47G(1)(b) . We have had no opportunity to verify this or inspect Bonza's books.

13. [REDACTED] s47E(d), s47F, s47G(1)(b)

Option of voluntary administration

14. [REDACTED] 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:
- unsecured creditors [REDACTED] s47E(d), s47F, s47G(1)(b) cannot begin, continue or enforce their claims against the company without the administrator's consent or the court's permission
 - owners of property used or occupied by the company (including leased property), are not able to recover their property (i.e. the four aircraft)
 - except in limited circumstances, secured creditors are not able to enforce any charge over the company's property
 - 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.
- The administrator will decide whether the company will keep trading, and it is typical for this to occur.
 - 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:
- the company can be returned to the current directors (and owners)
 - 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.)
 - the company can be wound-up and a liquidator is appointed.

19. [REDACTED] 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.

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s47C



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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.

~~PROTECTED CABINET~~

~~PROTECTED CABINET~~

MS24-000703

s22(1)(a)(ii)

Cleared By: Marisa Purvis-Smith
Position: Deputy Secretary, Transport Group
Ph: (02) 6136 ^{s22(1)(a)(ii)}
Mob: ^{s22(1)(a)(ii)}
Cleared Date:

Contact Officer: Stephanie Werner
Position: First Assistant Secretary
Division: Domestic Aviation and Reform
Mob: ^{s22(1)(a)(ii)}

Instructions for MPS: Nil

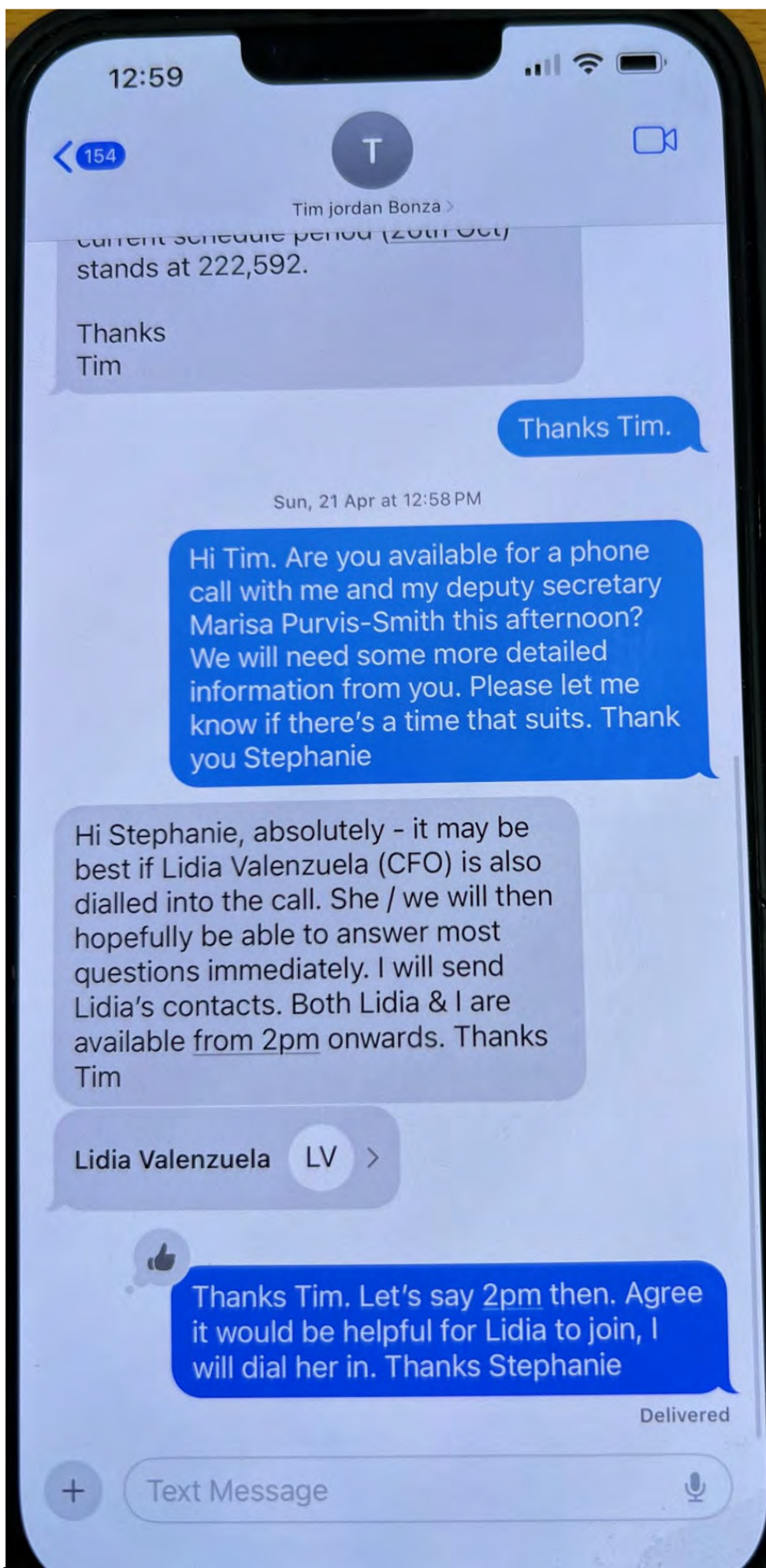
Do you require a signed hardcopy to be returned: No

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

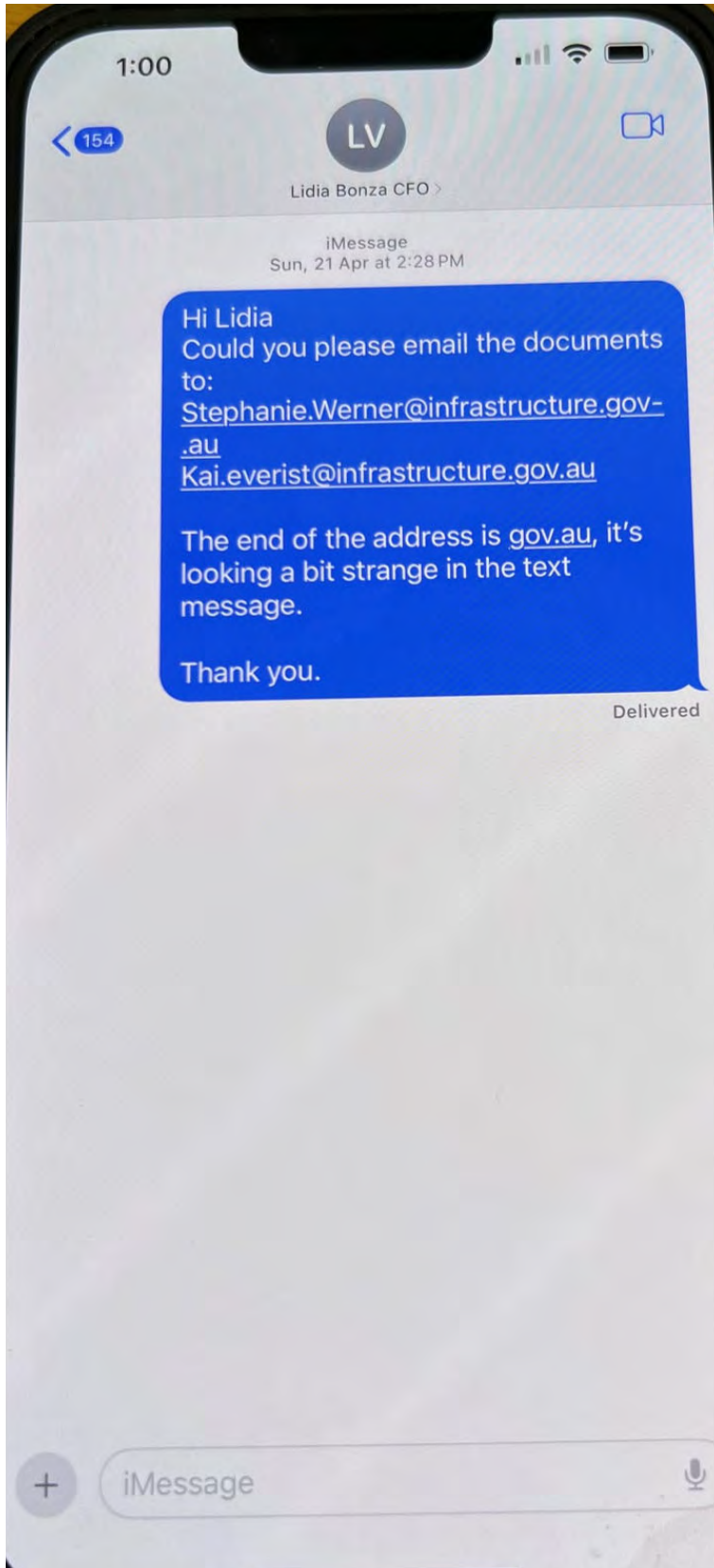
PDMS Distribution List: Jim Betts, Marisa Purvis Smith, Stephanie Werner, Richard Wood, Ben Vincent, Brendon Buckley, Kai Everist

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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: CABINET]~~

~~PROTECTED, SH: CABINET~~

Hi Marisa, Stephanie

See my notes below from this afternoon's meeting.


Thanks
Kai

Sunday 2pm phone call between DITRDCA and Bonza

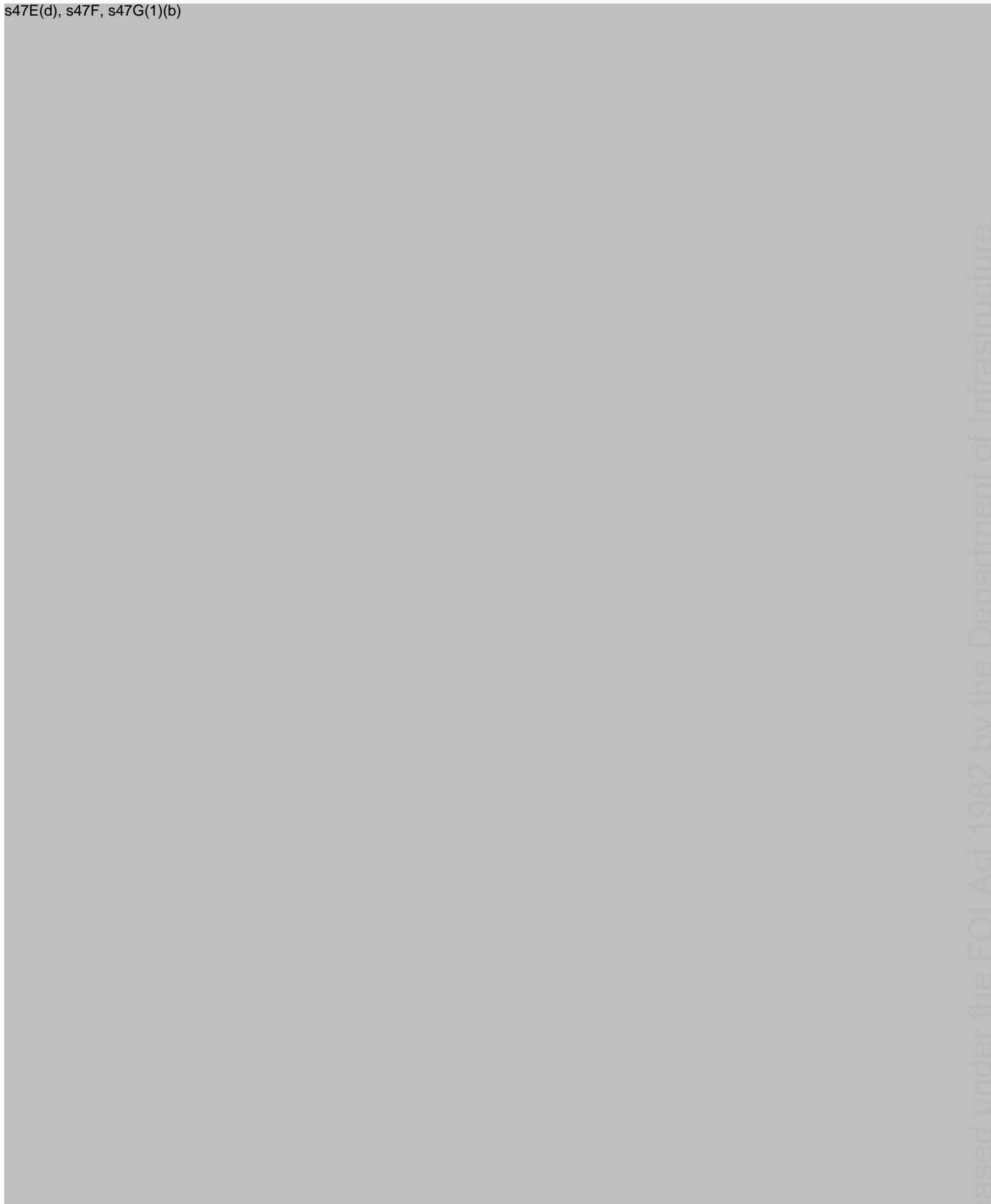
Attendees:

- Marisa Purvis-Smith
- Stephanie Werner
- Kai Everist
- Tim Jordan – Bonza CEO
- Lidia Valenzuela – Bonza CFO

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



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



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Kai Everist *(he/him)*

Assistant Secretary • Aviation White Paper
Domestic Aviation and Reform Division

Kai.Everist@infrastructure.gov.au

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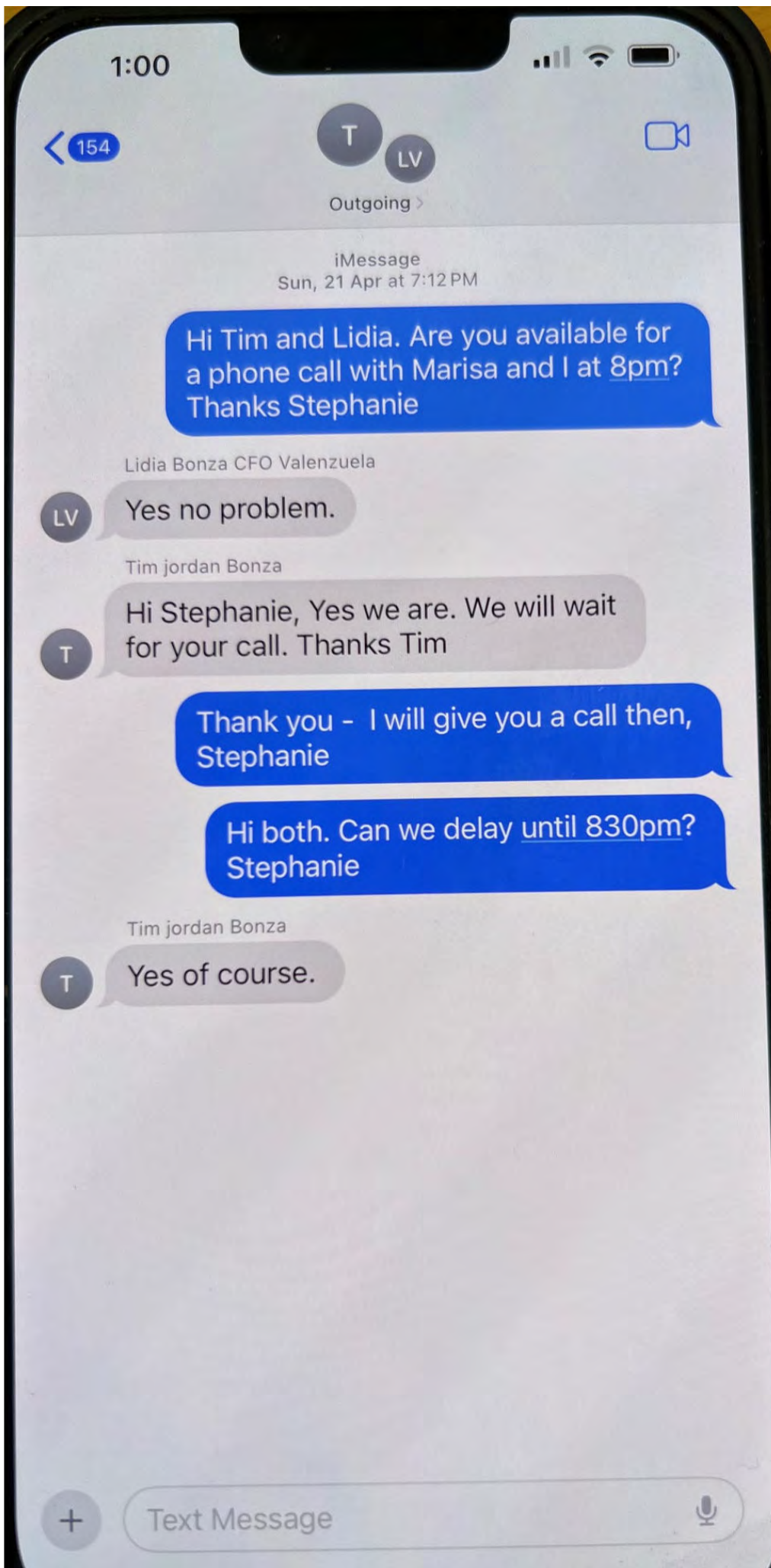
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From: Everist, Kai
Sent: Sunday, 21 April 2024 8:01 PM
To: PURVIS-SMITH, Marisa
Cc: Werner, Stephanie; VINCENT, Ben
Subject: Two pager on the process for voluntary administration ~~[SEC - PROTECTED]~~
Attachments: Bonza insolvency risk.docx

~~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

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Bonza insolvency risk – background information

What do we expect to happen on Monday 22 April?

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

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

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 [Attachment A](#)).

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 wound 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.
- If Bonza is purchased by new owners: 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.

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).

- If Bonza is liquidated: 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.

§47C



§22(1)(a)(ii)



What will happen to Bonza employee entitlements?

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

If there are not enough funds to pay employee entitlements, the Government's Fair Entitlements Guarantee provides a last resort backstop to pay employees. Our current advice is that Bonza owes \$2.1mn to its employees (salary and superannuation payments).

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 if 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: Sunday, 21 April 2024 8:26 PM
To: VINCENT, Ben; helen.mccormack@dewr.gov.au
Cc: Werner, Stephanie
Subject: RE: Cabinet-in-Confidence: Bonza ~~[SEC - PROTECTED, CAVEAT - SH.CABINET]~~

~~PROTECTED, SH.CABINET~~

Hi Helen

Sorry to come over the top of Ben's email.

In addition to the points below, are you able to share any advice on how unions are usually involved through the voluntary administration process?

Regards

Kai

Kai Everist *(he/him)*

Assistant Secretary • Aviation White Paper
 Domestic Aviation and Reform Division
Kai.Everist@infrastructure.gov.au
 P +61 2 6274 ^{s22(1)}_{(a)(ii)} • M +61 ^{s22(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

infrastructure.gov.au

*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, SH.CABINET~~

From: VINCENT, Ben
Sent: Sunday, 21 April 2024 8:05 PM
To: helen.mccormack@dewr.gov.au
Cc: Werner, Stephanie ; Everist, Kai
Subject: Cabinet-in-Confidence: Bonza ~~[SEC - PROTECTED, CAVEAT - SH.CABINET]~~

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~~PROTECTED, CH: CABINET~~

Hi Helen,

Thanks for your time just then. As discussed, there have been recent media reports that Bonza's financiers have called on restructuring advisory KordaMentha to provide them with advice about the ongoing operations of the airline. Bonza commenced operations in January 2023, and currently services around 20 or so routes across Australia.

Over the course of the weekend, there have been a number of discussions between Bonza and Dept. Infrastructure, and also conversations between Infrastructure, Tsy and Finance. There is a level of concern over Bonza's financials.

We are pulling together some information on the situation ^{s47G(1)(b), s47E(d)} [REDACTED].

For our Minister tonight, (subject to your views) we're proposing to advise -

What will happen to Bonza employee entitlements?

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

If there are not enough funds to pay employee entitlements, the Government's Fair Entitlements Guarantee provides a last resort backstop to pay employees. ^{s47G(1)(b), s47E(d)} [REDACTED].

Needless to say, we'll keep you in the loop. Pls feel free to call me on ^{s22(1)(a)(ii)} [REDACTED] at any time.

Ben

Ben Vincent

Assistant Secretary • Domestic Policy and Programs • Domestic Aviation and Reform Division

Ben.Vincent@infrastructure.gov.au

P +61 2 6274 ^{s22(1)(a)(ii)} [REDACTED] • M +61 ^{s22(1)(a)(ii)} [REDACTED]

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~~PROTECTED, CH: CABINET~~

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From: Everist, Kai
Sent: Sunday, 21 April 2024 9:29 PM
To: PURVIS-SMITH, Marisa; Werner, Stephanie
Subject: Sunday 830pm phone call between DITRDCA and Bonza - meeting notes ~~[SEC=PROTECTED,
CAVEAT=SH.CABINET]~~

~~PROTECTED, SH.CABINET~~

Hi Marisa, Stephanie

See my notes below from this evening's meeting.


Thanks
Kai

Meeting notes – Bonza 830pm

Attendees:

- Marisa Purvis-Smith
- Stephanie Werner
- Kai Everist
- Tim Jordan – Bonza CEO
- Lidia Valenzuela – Bonza CFO

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



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



~~PROTECTED, SH.CABINET~~

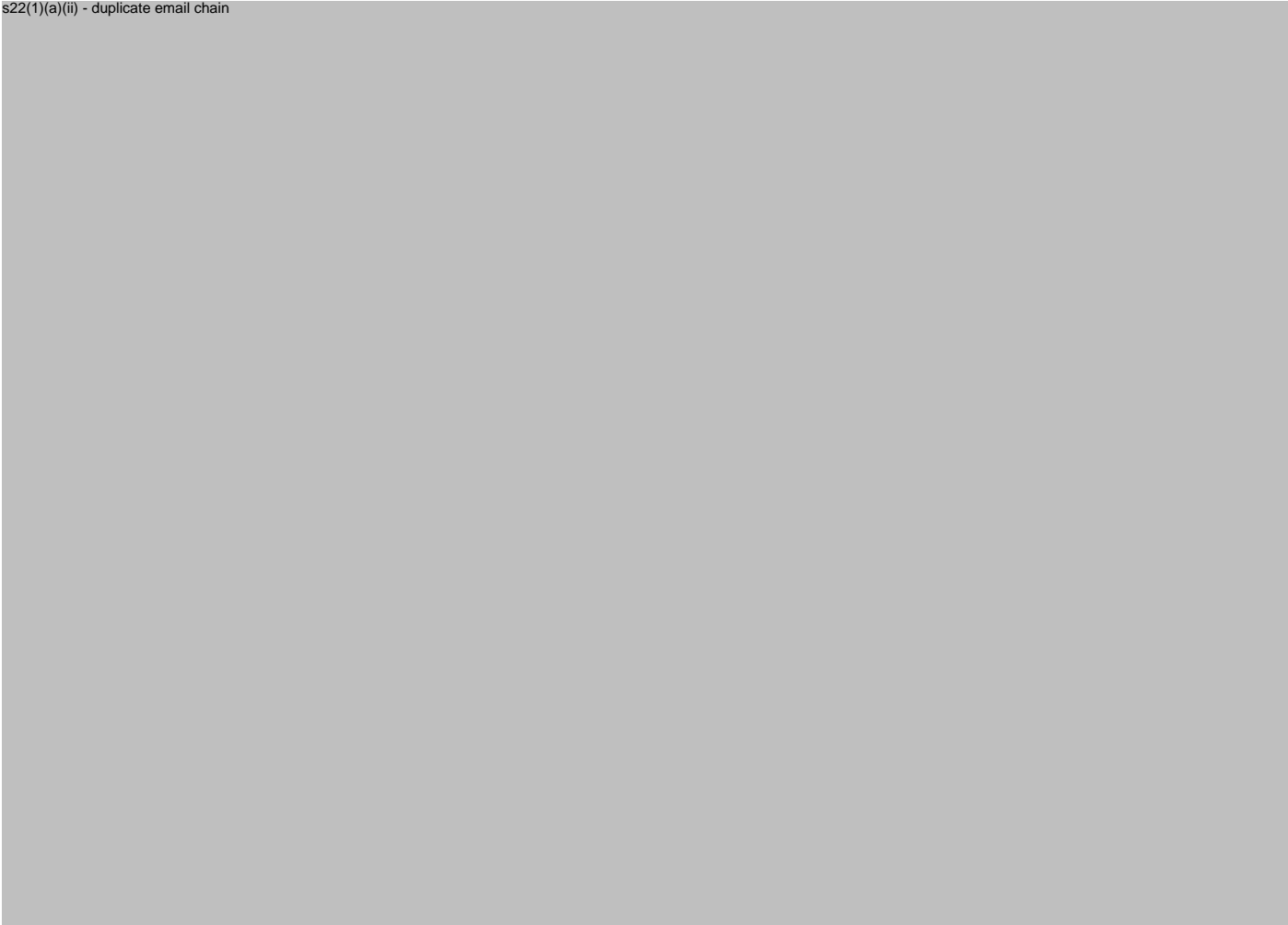
From: Everist, Kai

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.CABINET]~~

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



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

From: Everist, Kai
Sent: Sunday, 21 April 2024 10:47 PM
To: Zaheed, Mohita; [REDACTED] Jose, Cameron (Department of Finance - Protected); Christina.Garbin@pmc.gov.au; Werner, Stephanie; [REDACTED] 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: [REDACTED] ; Jose, Cameron (Department of Finance - Protected) ; Christina.Garbin@pmc.gov.au; Everist, Kai ; Werner, Stephanie ; [REDACTED] 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 [REDACTED] **M** +61 [REDACTED]

EA Contact: [REDACTED] **P** +61 2 6263 [REDACTED] **E** [REDACTED] treasury.gov.au

treasury.gov.au

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OFFICIAL

-----Original Appointment-----

From: Zaheed, Mohita

Sent: Sunday, April 21, 2024 10:40 AM

To: Zaheed, Mohita; [REDACTED] Jose, Cameron (Department of Finance - Protected); Christina.Garbin@pmc.gov.au;

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

Everist, Kai; Werner, Stephanie

Subject: Airline - cashflow [SEC=OFFICIAL]

When: Sunday, 21 April 2024 11:15 AM-11:45 AM (UTC+10:00) Canberra, Melbourne, Sydney.

Where: Microsoft Teams Meeting

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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.

From: Zaheed, Mohita <Mohita.Zaheed@treasury.gov.au>
Sent: Monday, 22 April 2024 7:45 AM
To: Everist, Kai; ^{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: 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 Zaheed

First Assistant Secretary – Labour Market, Environment, Industry and Infrastructure Division

P +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

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OFFICIAL

From: Everist, Kai
Sent: Sunday, April 21, 2024 10:47 PM
To: 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]

^{s22(1)(a)(ii)} - duplicate email chain



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From: s22(1)(a)(ii) <s22(1)(a)(ii)@TREASURY.GOV.AU>
Sent: Monday, 22 April 2024 11:17 AM
To: Zaheed, Mohita; Everist, Kai; Jose, Cameron (Department of Finance - Protected); Christina.Garbin@pmc.gov.au; Werner, Stephanie; s22(1)(a)(ii)@finance.gov.au
Subject: 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 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 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)(ii)

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
Sent: Monday, April 22, 2024 7:45 AM
To: Everist, Kai ; 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: RE: Bonza TPs for ministers [SEC=OFFICIAL]
 s22(1)(a)(ii) - duplicate email chain

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From: Everist, Kai
Sent: Monday, 22 April 2024 12:06 PM
To: §22(1)(a)(ii) Zaheed, Mohita; Jose, Cameron (Department of Finance - Protected); Christina.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 §22(1)(a)

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 AM
To: Zaheed, Mohita ; Everist, Kai ; Jose, Cameron (Department of Finance - Protected) ; Christina.Garbin@pmc.gov.au; Werner, Stephanie ; §22(1)(a)(ii) finance.gov.au
Subject: RE: Bonza TPs for ministers [SEC=OFFICIAL]

§22(1)(a)(ii) - duplicate email chain

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Bonza situation 22 April

- I am aware of the speculation surrounding Bonza Aviation.
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- Bonza holds around 1.7 per cent of the domestic aviation market and operates flights to around 21 destinations in Australia.

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- I am unwilling to speculate further on hypothetical questions.

Bonza voluntary administration

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Talking points

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~~PROTECTED CABINET~~

MS24-000704

	<p>Australian Government</p> <hr/> <p>Department of Infrastructure, Transport, Regional Development, Communications and the Arts</p>
---	--

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:	
<p>1. That you note that based on our review of documents provided by Bonza on 21 April, the Department of Infrastructure, Transport, Regional Development, Communications and the Arts (the department) hold concerns about Bonza’s financial position and cash flow.</p>	Noted / Please Discuss
<p>2. ^{s47C} [Redacted]</p>	Noted / Please Discuss
<p>3. ^{s47C} [Redacted]</p>	Agreed / Not Agreed
<p>The Hon Catherine King MP Date:</p> <p>Comments:</p>	

Key Points:

- ^{s47E(d), s47F, s47G(1)(b)} [Redacted]

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~~PROTECTED CABINET~~

MS24-000704

2. The department, central agencies and the Australian Government Solicitor have reviewed these documents. ^{s42}

3. ^{s42} We do not know whether the aircraft will be repossessed.

4. ^{s47E(d), s47F, s47G(1)(b)}

5. ^{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.

7. ^{s47C}

8. As stated above, ^{s47E(d), s47F, s47G(1)(b)}. We have briefed the Department of Employment and Workplace Relations on the situation.

^{s47C}

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. ^{s47C} 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.

~~PROTECTED CABINET~~

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~~PROTECTED CABINET~~

MS24-000704

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

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

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~~PROTECTED CABINET~~

From: Lidia Valenzuela <^{s47F} flybonza.com>
Sent: Tuesday, 23 April 2024 3:33 PM
To: Werner, Stephanie
Cc: Everist, Kai
Subject: Re: Any update? [SEC=OFFICIAL]

Hi Stephanie,

An extension was provided by the lessor awaiting the outcome of the potential investor board meeting.

thanks

Lidia Valenzuela

Chief Financial Officer



mobile: +61 ^{s47F}

app: Fly Bonza

socials: #flybonza @flybonza

www.flybonza.com

On Tue, Apr 23, 2024 at 3:29 PM Werner, Stephanie <Stephanie.Werner@infrastructure.gov.au> wrote:

OFFICIAL

Dear Lidia,

Are you able to provide us with any update on the situation – has the payment for the leased aircraft been made?

Many thanks and don't hesitate to call should you want to discuss,

Regards

Stephanie

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

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I would like to acknowledge the traditional custodians of this land on which we meet, work and live.

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I pay my respects to Elders past and present and to all Aboriginal and Torres Strait Islanders.

OFFICIAL

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From: Everist, Kai
Sent: Wednesday, 24 April 2024 5:46 PM
To: WEARNE,Jodie; CARR,Henry; VINCENT, Ben; MCCORMACK,Helen
Cc: Werner, Stephanie; WALLBANK,Angela; MANNING,Gregory; Deputy Secretary - Workplace Relations; LAUMAN,Miranda; ^{s22(1)(a)(ii)}
Subject: RE: Cabinet-in-Confidence: Bonza [SEC=OFFICIAL]

OFFICIAL

Thanks so much Jodie

OFFICIAL

From: WEARNE,Jodie
Sent: Wednesday, 24 April 2024 5:42 PM
To: Everist, Kai ; CARR,Henry ; VINCENT, Ben ; MCCORMACK,Helen
Cc: Werner, Stephanie ; WALLBANK,Angela ; MANNING,Gregory ; Deputy Secretary - Workplace Relations ; LAUMAN,Miranda ; ^{s22(1)(a)(ii)}
Subject: RE: Cabinet-in-Confidence: Bonza [SEC=OFFICIAL]

Hi Kai

Sorry for the delay, I've included a point below that you can use

- 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.

Happy to discuss if you need any additional information

Cheers

Jodie

From: Everist, Kai <Kai.Everist@infrastructure.gov.au>
Sent: Wednesday, April 24, 2024 4:33 PM
To: CARR,Henry <Henry.Carr@dewr.gov.au>; VINCENT, Ben <Ben.Vincent@infrastructure.gov.au>; MCCORMACK,Helen <Helen.McCormack@dewr.gov.au>
Cc: Werner, Stephanie <Stephanie.Werner@infrastructure.gov.au>; WEARNE,Jodie <Jodie.Wearne@dewr.gov.au>; WALLBANK,Angela <Angela.Wallbank@dewr.gov.au>; MANNING,Gregory <Gregory.Manning@dewr.gov.au>; Deputy Secretary - Workplace Relations <DeputySecretaryWorkplaceRelations@dewr.gov.au>
Subject: RE: Cabinet-in-Confidence: Bonza [SEC=OFFICIAL]

Some people who received this message don't often get email from kai.everist@infrastructure.gov.au. [Learn why this is important](#)

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Thanks Henry, really appreciate it.

We will be in touch if the situation progresses.

Helen and Jodie – as discussed with Helen, if you are able to provide a dot point on structural adjustment support, or any other support that may be available to affected employees, that would also be appreciated.

Regards

Kai

OFFICIAL

From: CARR, Henry <Henry.Carr@dewr.gov.au>

Sent: Wednesday, 24 April 2024 4:21 PM

To: Everist, Kai <Kai.Everist@infrastructure.gov.au>; VINCENT, Ben <Ben.Vincent@infrastructure.gov.au>; MCCORMACK, Helen <Helen.McCormack@dewr.gov.au>

Cc: Werner, Stephanie <Stephanie.Werner@infrastructure.gov.au>; WEARNE, Jodie <Jodie.Wearne@dewr.gov.au>; WALLBANK, Angela <Angela.Wallbank@dewr.gov.au>; MANNING, Gregory <Gregory.Manning@dewr.gov.au>; Deputy Secretary - Workplace Relations <DeputySecretaryWorkplaceRelations@dewr.gov.au>

Subject: RE: Cabinet-in-Confidence: Bonza [SEC=OFFICIAL]

Hi Kai

Good talking to you just now.

As discussed, you can anticipate that departmental officials from my team would typically liaise with voluntary administrators, especially on a significant file like Bonza, when and if the company is tipped into voluntary administration.

The purpose of our liaison is to better understand the plight of the employees, including the total outstanding employee entitlements, whether there are any sources of funds to pay those entitlement, including cash, future income and/ or charged circulating assets, and whether the administration is likely to result in a successful business restructure, or whether liquidation is likely. These matters all go to the Commonwealth's exposure in a liquidation scenario, under the FEG Act.

Please consider the following encapsulation.

- [if Bonza goes into voluntary administration] 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.

Happy to discuss, feel free to call me on mobile number below if Bonza does tip in and I can help in any way (you are unlikely to receive significant advance notice!).

Best regards

Henry

Henry Carr

Branch Manager / Senior Executive Lawyer

Recovery and Litigation Branch

Entitlements Safeguards Division

Australian Government Department of Employment and Workplace Relations

Mobile ^{s22(1)(a)(ii)} [REDACTED]dewr.gov.au

The Department of Employment and Workplace Relations acknowledges the traditional owners and custodians of country throughout Australia and their continuing connection to their community. We pay our respects to them and their cultures, and Elders past, present and emerging.

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

Sent: Wednesday, April 24, 2024 3:15 PM

To: VINCENT, Ben <Ben.Vincent@infrastructure.gov.au>; MCCORMACK, Helen <Helen.McCormack@dewr.gov.au>

Cc: Werner, Stephanie <Stephanie.Werner@infrastructure.gov.au>; WEARNE, Jodie <Jodie.Wearne@dewr.gov.au>;

WALLBANK, Angela <Angela.Wallbank@dewr.gov.au>; MANNING, Gregory <Gregory.Manning@dewr.gov.au>;

Deputy Secretary - Workplace Relations <DeputySecretaryWorkplaceRelations@dewr.gov.au>; CARR, Henry

<Henry.Carr@dewr.gov.au>

Subject: RE: Cabinet-in-Confidence: Bonza [SEC=OFFICIAL]

Importance: High

Some people who received this message don't often get email from kai.everist@infrastructure.gov.au. [Learn why this is important](#)

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OFFICIAL

Hi Helen

We are updating the talking points for our MO, for use in case Bonza enters administration.

The MO has asked that we include a point that:

- The government will work with the administrator on matters such as employment entitlements

Could you advise if this is correct, and provide any more detail that we could include on how the Government would engage with an administrator on employee entitlements?

We have been asked for this urgently, so I would be grateful if you could come back as soon as possible.

Thanks

Kai

Kai Everist (he/him)

Assistant Secretary • Aviation White Paper

Domestic Aviation and Reform Division

Kai.Everist@infrastructure.gov.au

P +61 2 6274 ^{s22(1)}_{(a)(ii)} • M +61 ^{s22(1)(a)(ii)}

GPO Box 594 Canberra, ACT 2601

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 I pay my respects to Elders past and present and to all Aboriginal and Torres Strait Islanders.*

OFFICIAL

From: VINCENT, Ben <Ben.Vincent@infrastructure.gov.au>
Sent: Sunday, 21 April 2024 8:57 PM
To: MCCORMACK, Helen <Helen.McCormack@dewr.gov.au>
Cc: Werner, Stephanie <Stephanie.Werner@infrastructure.gov.au>; Everist, Kai <Kai.Everist@infrastructure.gov.au>; WEARNE, Jodie <Jodie.Wearne@dewr.gov.au>; WALLBANK, Angela <Angela.Wallbank@dewr.gov.au>; MANNING, Gregory <Gregory.Manning@dewr.gov.au>; Deputy Secretary - Workplace Relations <DeputySecretaryWorkplaceRelations@dewr.gov.au>; CARR, Henry <Henry.Carr@dewr.gov.au>
Subject: RE: Cabinet-in-Confidence: Bonza [SEC=OFFICIAL]

OFFICIAL

Thanks so much, Helen – really appreciate the assistance late on a Sunday night!

Nb, further to our conversation – after checking, I can now confirm Bonza has been in operation since January 2023 (so over 12 months now); ^{s47C}

We'll keep you in the loop.

Kind regards,

Ben

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

OFFICIAL

From: MCCORMACK, Helen <Helen.McCormack@dewr.gov.au>
Sent: Sunday, 21 April 2024 8:38 PM
To: VINCENT, Ben <Ben.Vincent@infrastructure.gov.au>
Cc: Werner, Stephanie <Stephanie.Werner@infrastructure.gov.au>; Everist, Kai <Kai.Everist@infrastructure.gov.au>; WEARNE, Jodie <Jodie.Wearne@dewr.gov.au>; WALLBANK, Angela <Angela.Wallbank@dewr.gov.au>; MANNING, Gregory <Gregory.Manning@dewr.gov.au>; Deputy Secretary - Workplace Relations <DeputySecretaryWorkplaceRelations@dewr.gov.au>; CARR, Henry <Henry.Carr@dewr.gov.au>
Subject: RE: Cabinet-in-Confidence: Bonza [SEC=OFFICIAL]

Hi Ben

Thanks for your call earlier this evening and email.

Below is information on the Fair Entitlements Guarantee for inclusion in your advice..

The Fair Entitlements Guarantee (FEG) is a legislative safety net scheme of last resort that funds outstanding employee entitlements where these cannot be obtained from other sources. Generally a company must have been placed in liquidation before former employees can access financial assistance under the FEG. The FEG covers unpaid wages (capped at 13 weeks); unpaid annual leave and long service leave; payment in lieu of notice (up to 5 weeks); redundancy pay (up to 4 weeks per full year of service). Entitlements are capped at the maximum weekly wage of \$2,673 (\$138,996 per annum). FEG does not cover superannuation.

I realise the above may be too much information so have also edited the below proposed advice in your email.

During our telephone call tonight you mentioned:

- that Bonza is a start up that has been in operation for about 4-6 months.
- Number of employees is unknown
- There are around 21,000 passengers booked on flights
- §47C
- The situation is fluid.

As mentioned, I've copied in Jodie Wearne from our Structural Adjustment side in employment for visibility.

In a follow up email tonight Kai Everist asked 'are you able to share any advice on how unions are usually involved through the voluntary administration process email'. Response: Claimants submit their claim for FEG assistant via the eFEG at [Home - Fair Entitlements Guarantee \(dewr.gov.au\)](https://www.dewr.gov.au/home-fair-entitlements-guarantee). Claimants may request unions to assist with completing their FEG claims. Further information on FEG can be found at [Fair Entitlements Guarantee - Department of Employment and Workplace Relations, Australian Government \(dewr.gov.au\)](https://www.dewr.gov.au/fair-entitlements-guarantee)

Please let me know if you require any further information.

Regards

Helen

Helen McCormack, PSM
Assistant Secretary

Fair Entitlements Guarantee Branch
 Department of Employment and Workplace Relations
 Phone (02) 6121 §22(1)(a)(ii) | Mobile §22(1)(a)(ii)

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Helen.McCormack@dewr.gov.au

From: VINCENT, Ben <Ben.Vincent@infrastructure.gov.au>
Sent: Sunday, April 21, 2024 8:05 PM
To: MCCORMACK,Helen <Helen.McCormack@dewr.gov.au>
Cc: Werner, Stephanie <Stephanie.Werner@infrastructure.gov.au>; Everist, Kai <Kai.Everist@infrastructure.gov.au>
Subject: Cabinet-in-Confidence: Bonza [~~SEC-PROTECTED, CAVEAT-SH-CABINET~~]

You don't often get email from ben.vincent@infrastructure.gov.au. [Learn why this is important](#)

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~~PROTECTED, SH-CABINET~~

Hi Helen,

Thanks for your time just then. As discussed, there have been recent media reports that Bonza's financiers have called on restructuring advisory KordaMentha to provide them with advice about the ongoing operations of the airline. Bonza commenced operations in January 2023, and currently services around 20 or so routes across Australia.

Over the course of the weekend, there have been a number of discussions between Bonza and Dept. Infrastructure, and also conversations between Infrastructure, Tsy and Finance. There is a level of concern over Bonza's financials.

We are pulling together some information on the situation ^{s47G(1)(b), s47E(d)} [REDACTED].

For our Minister tonight, (subject to your views) we're proposing to advise -

What will happen to Bonza employee entitlements?

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

If there are not enough funds to pay employee entitlements, 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.**

[REDACTED]

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

Needless to say, we'll keep you in the loop. Pls feel free to call me on ^{s22(1)(a)(ii)} [REDACTED] at any time.

Ben

Ben Vincent

Assistant Secretary • Domestic Policy and Programs • Domestic Aviation and Reform Division

Ben.Vincent@infrastructure.gov.au

P +61 2 6274 ^{s22(1)(a)(ii)} [REDACTED] • M +61 ^{s22(1)(a)(ii)} [REDACTED]

GPO Box 594 Canberra, ACT 2601

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~~PROTECTED, SH: CABINET~~

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Transport, Regional Development, Communications and the Arts

From: Everist, Kai
Sent: Tuesday, 30 April 2024 7:59 AM
To: Lidia Valenzuela
Cc: Werner, Stephanie
Subject: Re: Any update? [SEC=OFFICIAL]

OFFICIAL

Hi Lidia

We have seen the reports of flight cancellations this morning. has the situation changed?

Thanks
Kai

OFFICIAL

From: "Lidia Valenzuela" <^{s47F}<[REDACTED]>@flybonza.com>
Date: Monday 29 April 2024 at 8:13:13 PM
To: "Everist, Kai" <Kai.Everist@infrastructure.gov.au>
Cc: "Werner, Stephanie" <Stephanie.Werner@infrastructure.gov.au>
Subject: Re: Any update? [SEC=OFFICIAL]

Hi Kai,

^{s47G(1)(b), s47E(d)}
[REDACTED]

thanks

Lidia Valenzuela

Chief Financial Officer



mobile: +61 ^{s47F}<[REDACTED]>

app: Fly Bonza

socials: #flybonza @flybonza

www.flybonza.com

On Mon, Apr 29, 2024 at 3:56 PM Everist, Kai <Kai.Everist@infrastructure.gov.au> wrote:

OFFICIAL

Hi Lidia

Could you advise if there is any further update on the situation with Bonza's lease payments?

Is Bonza now up to date on payments? Are there further processes still to be resolved?

Please give me a call on s22(1)(a)(ii) if you would prefer to discuss.

Regards

Kai

Kai Everist (*he/him*)

Assistant Secretary

Domestic Aviation and Reform Division

Kai.Everist@infrastructure.gov.au

P +61 2 6274 s22(1)(a)(ii) • M +61 s22(1)(a)(ii)
GPO Box 594 Canberra, ACT 2601

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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.

OFFICIAL

From: Lidia Valenzuela <s47F flybonza.com>

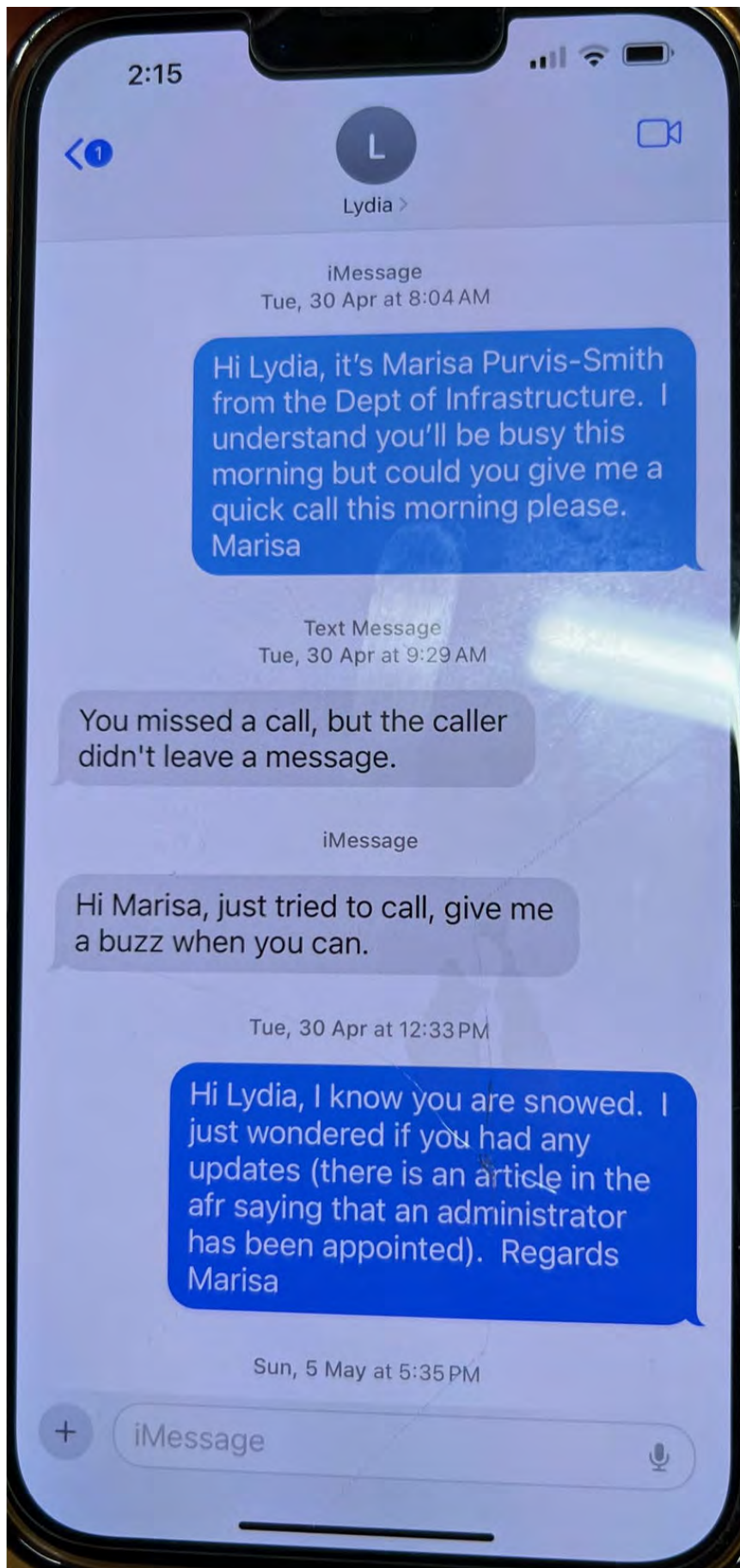
Sent: Tuesday, 23 April 2024 3:33 PM

To: Werner, Stephanie <Stephanie.Werner@infrastructure.gov.au>

Cc: Everist, Kai <Kai.Everist@infrastructure.gov.au>

Subject: Re: Any update? [SEC=OFFICIAL]

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



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

From: s22(1)(a)(ii) <s22(1)(a)(ii)@finance.gov.au>
Sent: Tuesday, 30 April 2024 2:01 PM
To: Everist, Kai
Cc: Werner, Stephanie; Jose, Cameron; Garbin, Christina; s22(1)(a)(ii) Zaheed, Mohita
Subject: VA Fact Sheet [SEC=OFFICIAL:Sensitive]
Attachments: Voluntary Administration Fact Sheet - Bonza.docx

OFFICIAL:Sensitive

Hi Kia,

Attached is the fact sheet that I understand you discussed with Cameron.

We have includes some high-level information based on what we know so far in relation to Bonza – but note that it is an incomplete picture and would be the responsibility of an administrators (once appointed) to follow the steps and provide formal advice to creditors (including employees, customer and suppliers) in due course.

Regards,

s22(1)(a)(ii)

s22(1)(a)(ii) | Director – Commercial Transactions

Commercial Investments Division

Department of Finance

T: +61 2 6215 s22(1)(a)(ii) | **M:** +61 s22(1)(a)(ii)

E: s22(1)(a)(ii) [finance.gov.au](mailto:s22(1)(a)(ii)@finance.gov.au)

A: One Canberra Avenue, FORREST ACT 2603

Voluntary Administration Fact Sheet

What is voluntary administration?

- Voluntary administration is a process to resolve the company's future when the company is or is likely to become insolvent (i.e., unable to meet its financial obligations to creditors – the people who the company owe money to).
- The directors must make a resolution to appoint a voluntary administrator who takes full control of the company and will determine future of the company or its business.
- If it is not possible to come up with a plan to save the business, then the voluntary administrator aims to administer the company's affairs to obtain a better return to creditors than if the company had been immediately wound up.
- There are three possible outcomes through a voluntary administration process:
 - end the voluntary administration and return the company to directors (e.g. if the company is able to pay its obligations and remains solvent);
 - approve a deed of company agreement (DOCA) through which the company will pay all or part of its debts and then be free of those debts; or
 - wind up the company and appoint a liquidator.
- If it is possible and in the best interests of creditors for the company to continue to trade during the voluntary administration, then that would usually occur – but it is not always possible (e.g. if the company has lost control over critical assets, or does not have access to sufficient funds to allow the company to continue to trade).

What is the process?

Steps	Overview
Appointment of voluntary administrator	Appointed by the directors, a secured creditor or a liquidator with voluntary administration commencing from the date of appointment.
First meeting of creditors (within 5-8 days)	First meeting with creditors must occur within eight days of being appointed, and five days' notice must be given to creditors. Creditors can replace the administrator or form a committee of inspection.
Voluntary administrator's investigation and report	Voluntary administrator must investigate the company's affairs and report to creditors on the alternative options available (refer outcomes above).
Second meeting of creditors	The voluntary administrator must hold the meeting to decide the company's future (refer outcomes above) within 25 business days of appointment – with five business days notice given to creditors.

Who are the creditors?

- a) A secured creditor is a person who holds a security interest (e.g., a mortgage) in some or all of the company's assets to secure a debt owed by the company.
 - a. An example of a secured creditor would be a bank who has loaned money to the company to acquire a property, with the bank retaining a security interest in that property in an event of default on the loan.
- b) An unsecured creditor is owed money by the company but does not hold a security interest in the company's assets. Examples include suppliers who have provided a service or goods but are yet to be paid and customers with pre-payments.
 - a. Employees are considered unsecured creditors if the company is yet to pay their entitlements (e.g., salary, superannuation and leave arrangements).

Application to Bonza Aviation Pty Ltd (Bonza) Insolvency

- On 30 April 2024, it was reported that Bonza have asked Hall Chadwick to act as voluntary administrators. When one or more persons are appointed, it formally commences the voluntary administration process.
- Bonza also announced it has been forced to suspend its operations indefinitely while a solution to its financial difficulties is identified, noting that Bonza's aircrafts have reportedly been recalled by the owner following alleged breaches and failure to make payments under the terms of the aircraft lease agreements.
 - We expect Bonza would not be able to recommence operations without suitable replacement aircraft, which is likely to be challenging.
 - While the voluntary administrator would be required to investigate options to resolve the future of Bonza, it is possible that Bonza could be placed in liquidation – where the company is wound up and the residual assets are divided among creditors based on the priority of their claim.

What happens to employees?

- If the voluntary administrator continues to trade the business, they must pay ongoing employees for services provided after the date of their appointment out of the assets available to them. These will be treated as an expense of the voluntary administration. The appointment of a voluntary administrator does not automatically terminate the employment of the company's employees.
- If you are an employee owed money for unpaid wages, superannuation, annual leave, sick leave, long service leave, retrenchment pay or other benefits, you are a creditor of the company. You may be entitled to some or all of what you are owed before other creditors (known as 'priority'). You will need to register as a creditor through once the insolvency notice is published on ASIC's website.
- Should the company be placed into liquidation, and as an employee you do not receive all of your entitlements after losing their job (e.g. because the company is wound-up), it is possible to get help from the Australian Government through the Fair Entitlements Guarantee – a scheme of last resort that is established to assist employees impacted by liquidation.
- Subject to what is recovered from sale of the company's assets, employees may be able to claim:

- Up to 13 weeks of unpaid wages;
- Unpaid annual leave and long service leave;
- Up to five weeks payment in lieu of notice; and
- Up to four weeks per full year of service in redundancy pay.

What happens to customers?

- While some voluntary administration processes will allow the company to continue trading, if (as reported) Bonza no longer has access to aircraft then it is likely that operations will remain suspended. Whilst operations are suspended, customers will not receive the services they have paid for and will need to make alternative travel arrangements. We understand other airlines are assisting Bonza customers.
- Importantly, should the company enter voluntary administration and you have paid for a service you have not received, you may be owed money from the company.
- Customers should continue to monitor ASIC's website to see if an insolvency event has been declared and if this is the case, register as an unsecured creditor.

What happens to suppliers?

- Suppliers (including airports, aircraft providers, other contractors) will be impacted by the suspension of Bonza's operations and voluntary administration.
- If you are a supplier that has provided goods or services to Bonza and are yet to receive payment, you may be owed money by the company.
- Suppliers in this position should register as a creditor after an insolvency event is published on ASIC's website.

From: Lidia Valenzuela <^{s47F} flybonza.com>
Sent: Tuesday, 30 April 2024 2:30 PM
To: ^{s47F}
Cc: Everist, Kai
Subject: PR

Hi ^{s47F}

Can you please keep Kai across our media releases. He is updating Federal Ministers of how we are tracking.

Kai Everist (*he/him*)

Assistant Secretary

Domestic Aviation and Reform Division

Kai.Everist@infrastructure.gov.au

P +61 2 6274 ^{s22(1)(a)(ii)} • M +61 ^{s22(1)(a)(ii)}
GPO Box 594 Canberra, ACT 2601

thanks

Lidia Valenzuela

Chief Financial Officer



mobile: +61 ^{s47F}

app: Fly Bonza

socials: #flybonza @flybonza

www.flybonza.com

From: §47F <§47F@flybonza.com>
Sent: Tuesday, 30 April 2024 2:48 PM
To: Everist, Kai
Cc: Lidia Valenzuela; PURVIS-SMITH, Marisa; Lloyd, Maggie
Subject: Re: Bonza media releases [SEC=OFFICIAL]

Hi Kai,

As soon as I have something to share I will do so and ensure that Marisa and Maggie are also on the comms.

Thank you, §47F

§47F

Head of Communications



mobile: §47F

web: flybonza.com

socials: #flybonza @flybonza

On Tue, Apr 30, 2024 at 2:46 PM Everist, Kai <Kai.Everist@infrastructure.gov.au> wrote:

OFFICIAL

Hi §47F

Can you also please copy in Marisa and Maggie, cc'ed on this email.

Thanks

Kai

OFFICIAL

From: Lidia Valenzuela <§47F@flybonza.com>
Sent: Tuesday, 30 April 2024 2:30 PM
To: §47F <§47F@flybonza.com>
Cc: Everist, Kai <Kai.Everist@infrastructure.gov.au>
Subject: PR

From: CARR, Henry <Henry.Carr@dewr.gov.au>
Sent: Tuesday, 30 April 2024 4:29 PM
To: §22(1)(a)(ii) PURVIS-SMITH, Marisa; Christina.Garbin@pmc.gov.au; Werner, Stephanie; Everist, Kai; Jose, Cameron; Zaheed, Mohita; §22(1)(a)(ii) §22(1)(a)(ii) §22(1)(a)(ii)
Subject: RE: Bonza [SEC=OFFICIAL]

Hi all, FYI below is typical day 1 letter content to administrators.

Henry Carr

Branch Manager / Senior Executive Lawyer
 Recovery and Litigation Branch
 Entitlements Safeguards Division
 Australian Government Department of Employment and Workplace Relations
 Mobile §22(1)(a)(ii)
dewr.gov.au

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Bonza Aviation
ACN 653 309 909
(Administrators Appointed) (Company)

Good afternoon,

We refer to the appointment of Richard Albarran, Kathleen Vouris, Brent Kijurina and Cameron Shaw as joint and several Voluntary Administrators of the Company earlier today.

The Department wishes to determine whether there is likely to be a FEG exposure as a result of the appointment to the Company.

Whilst we note that the Administrators have only just been appointed, we would appreciate it if you would provide the following information, to the extent that it is currently available to you:

- Are the Administrators continuing to trade the Company's business in any capacity?
- How many staff are employed/were employed by the Company and has the workforce been maintained or reduced?
- Are/were the employees employed on a full time, part time or casual basis?
- Are there any outstanding employee entitlements, other than superannuation?
- Is there superannuation outstanding? If so, please provide details.
- Is there an ALLPAAP/GSA secured creditor?
- Are the Administrators expecting to receive a DOCA proposal for the sale or restructure of the Company's business?
- Is there likely to be any FEG exposure if a DOCA proposal is not submitted or is not accepted by creditors and, if so, are you in a position to estimate the likely dollar value of the exposure?

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- Is it likely the Administrators will seek to extend the convening period for the second meeting of creditors?

If convenient I am available for a call to discuss the above questions.

Kind regards

s22(1)(a)(ii)

Senior Forensic Investigator

Active Creditor | Recovery and Litigation Branch

Entitlements Safeguards Division

Australian Government Department of Employment and Workplace Relations

T: (07) s22(1)(a)(ii) (ext. s22(1)(a)(ii) s22(1)(a)(ii) dewr.gov.au)

-----Original Appointment-----

From: s22(1)(a)(ii) <s22(1)(a)(ii)@TREASURY.GOV.AU>

Sent: Tuesday, April 30, 2024 3:35 PM

To: s22(1)(a)(ii) CARR, Henry; marisa.purvissmith@infrastructure.gov.au; Christina.Garbin@pmc.gov.au; stephanie.werner@infrastructure.gov.au; Kai.Everist@infrastructure.gov.au; Jose, Cameron; Zaheed, Mohita;

s22(1)(a)(ii) s22(1)(a)(ii) s22(1)(a)(ii)

Subject: Bonza [SEC=OFFICIAL]

When: Tuesday, 30 April 2024 4:30 PM-5:00 PM (UTC+10:00) Canberra, Melbourne, Sydney.

Where: Microsoft Teams Meeting

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Hi all,

Setting up a teams link for the proposed 4:30 catch-up. I will adjust the time as required. Please forward to others as needed.

Thanks,

s22(1)(a)

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

From: [REDACTED] <[REDACTED]@flybonza.com>
Sent: Tuesday, 30 April 2024 6:08 PM
To: Everist, Kai
Cc: Lidia Valenzuela; PURVIS-SMITH, Marisa; Lloyd, Maggie
Subject: Re: Bonza media releases [SEC=OFFICIAL]
Attachments: Bonza Press Release - Hall Chadwick.pdf

Please find attached.

[REDACTED]

Head of Communications



mobile: [REDACTED]

web: flybonza.com

socials: #flybonza @flybonza

On Tue, Apr 30, 2024 at 5:44 PM Everist, Kai <Kai.Everist@infrastructure.gov.au> wrote:

OFFICIAL

Hi [REDACTED]

Any update on the timing for the release?

Thanks

Kai

OFFICIAL

From: [REDACTED] <[REDACTED]@flybonza.com>
Sent: Tuesday, 30 April 2024 2:48 PM
To: Everist, Kai <Kai.Everist@infrastructure.gov.au>
Cc: Lidia Valenzuela <[REDACTED]@flybonza.com>; PURVIS-SMITH, Marisa <Marisa.PurvisSmith@infrastructure.gov.au>; Lloyd, Maggie <Maggie.Lloyd@MO.Infastructure.gov.au>
Subject: Re: Bonza media releases [SEC=OFFICIAL]

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



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

From: Everist, Kai
Sent: Tuesday, 30 April 2024 7:04 PM
To: Christina.Garbin@pmc.gov.au
Subject: FW: media release attached [SEC=OFFICIAL]
Attachments: Bonza Press Release - Hall Chadwick.pdf

OFFICIAL

OFFICIAL

OFFICIAL

From: PURVIS-SMITH, Marisa <Marisa.PurvisSmith@infrastructure.gov.au>
Sent: Tuesday, 30 April 2024 6:02 PM
To: Everist, Kai <Kai.Everist@infrastructure.gov.au>; BURKE, Chris <chris.burke@infrastructure.gov.au>; BOWD, Reuben <Reuben.BOWD@infrastructure.gov.au>
Subject: FW: Bonza conversation [SEC=OFFICIAL]

OFFICIAL

OFFICIAL

From: Brent Kijurina <^{s47F} [redacted]@hallchadwick.com.au>
Sent: Tuesday, 30 April 2024 6:01 PM
To: PURVIS-SMITH, Marisa <Marisa.PurvisSmith@infrastructure.gov.au>
Cc: ^{s47F} [redacted] <^{s47F} [redacted]@hallchadwick.com.au>
Subject: RE: Bonza conversation [SEC=OFFICIAL]

Hi Marisa,

Excellent.

FYI attached.

I will prepare meeting request now (for 6.10pm).

Regards

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Brent

From: PURVIS-SMITH, Marisa <Marisa.PurvisSmith@infrastructure.gov.au>
Sent: Tuesday, April 30, 2024 5:58 PM
To: Brent Kijurina <[REDACTED]@hallchadwick.com.au>
Cc: [REDACTED] <[REDACTED]@hallchadwick.com.au>
Subject: RE: Bonza conversation [SEC=OFFICIAL]

OFFICIAL

Hi Brent,

6pm works for me. I will also have some others with me, including our internal legal team.

If you send out the meeting request and I can forward it to the relevant people here.

Regards

Marisa

OFFICIAL

From: Brent Kijurina <[REDACTED]@hallchadwick.com.au>
Sent: Tuesday, 30 April 2024 5:51 PM
To: PURVIS-SMITH, Marisa <Marisa.PurvisSmith@infrastructure.gov.au>
Cc: [REDACTED] <[REDACTED]@hallchadwick.com.au>
Subject: Re: Bonza conversation [SEC=OFFICIAL]

Dear Marisa,

My apologies - the meeting just finished.

Would a 6pm Teams meeting be convenient?

If so, I would like to invite a couple of our lawyer representatives to the meeting (informal).

Regards

Brent

From: PURVIS-SMITH, Marisa <Marisa.PurvisSmith@infrastructure.gov.au>
Sent: Tuesday, April 30, 2024 5:36 PM
To: Brent Kijurina <[REDACTED]@hallchadwick.com.au>
Subject: RE: Bonza conversation [SEC=OFFICIAL]

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Transport, Regional Development, Communications and the Arts

You don't often get email from marisa.purvis-smith@infrastructure.gov.au. [Learn why this is important](#)

OFFICIAL

Hi Brent,

Do have an approximate eta for a phone call?

Regards

Marisa

Marisa Purvis-Smith

Deputy Secretary • Transport Group

marisa.purvis-smith@infrastructure.gov.au

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GPO Box 594 Canberra, ACT 2601

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infrastructure.gov.au



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.

OFFICIAL

From: Brent Kijurina <^{s47F} [\[REDACTED\]@hallchadwick.com.au](mailto: [REDACTED]@hallchadwick.com.au)>

Sent: Tuesday, 30 April 2024 4:58 PM

To: PURVIS-SMITH, Marisa <Marisa.PurvisSmith@infrastructure.gov.au>

Cc: ^{s47F} [\[REDACTED\]@hallchadwick.com.au](mailto: [REDACTED]@hallchadwick.com.au)

Subject: Re: Bonza conversation [SEC=OFFICIAL:Sensitive]

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Thanks Marisa for your email.

I have a meeting scheduled for 5pm - if convenient, I would be happy to call you after that meeting.

Kind regards,

Brent

From: PURVIS-SMITH, Marisa <Marisa.PurvisSmith@infrastructure.gov.au>
Sent: Tuesday, April 30, 2024 4:55 PM
To: Brent Kijurina <^{s47F} <[REDACTED]>@hallchadwick.com.au>
Subject: Bonza conversation [SEC=OFFICIAL:Sensitive]

You don't often get email from marisa.purvismith@infrastructure.gov.au. [Learn why this is important](#)

OFFICIAL:Sensitive

Hi Brent,

The Minister has forwarded your email to me. I am the Deputy Secretary of Transport Group in the Department of Infrastructure, Transport, Regional Development, Communications and Arts and have been liaising with Bonza. In the interests of time, could we have a brief conversation before your conversation with the Minister.

I am available now if you are free. Below is my mobile number.

Regards

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

Marisa

Marisa Purvis-Smith

Deputy Secretary • Transport Group

marisa.purvis-smith@infrastructure.gov.au

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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.

OFFICIAL:Sensitive

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OFFICIAL

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From: CARR, Henry <Henry.Carr@dewr.gov.au>
Sent: Tuesday, 30 April 2024 7:09 PM
To: §22(1)(a)(ii) PURVIS-SMITH, Marisa; Christina.Garbin@pmc.gov.au; Werner, Stephanie; Everist, Kai; Jose, Cameron; Zaheed, Mohita; §22(1)(a)(ii) §22(1)(a)(ii) §22(1)(a)(ii)
Subject: RE: Bonza [SEC=OFFICIAL]
Attachments: 30042024 -Active Creditor Letter.pdf

Hi Colleagues, FYI/ records, our day 1 letter sent to the Bonza VA tonight is *attached*

From: CARR, Henry
Sent: Tuesday, April 30, 2024 4:29 PM
To: §22(1)(a)(ii) ; marisa.purvissmith@infrastructure.gov.au; Christina.Garbin@pmc.gov.au; stephanie.werner@infrastructure.gov.au; Kai.Everist@infrastructure.gov.au; Jose, Cameron ; Zaheed, Mohita ; §22(1)(a)(ii) ; §22(1)(a)(ii) ; §22(1)(a)(ii)
Subject: RE: Bonza [SEC=OFFICIAL]

§22(1)(a)(ii) - duplicate email chain



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Australian Government
**Department of Employment
 and Workplace Relations**

30 April 2024

Richard Albarran
 Hall Chadwick
 Level 40, 2-26 Park Street
 SYDNEY NSW 2000

By email: ^{s47F} hallchadwick.com.au;

Dear Mr Albarran,

Bonza Aviation ACN 653 309 909 (Administrators Appointed) (the Company)

We refer to your appointment, together with Kathleen Vouris, Brent Kijurina and Cameron Shaw as joint and several Voluntary Administrator of the Company earlier today.

The Department wishes to determine whether there is likely to be a FEG exposure as a result of the appointment to the Company.

Whilst we note that you have only just been appointed, we would appreciate it if you would provide the following information, to the extent that it is currently available to you:

- Was your appointment made by the Company under section 436A of the Corporations Act or by a secured creditor under section 436C of the Corporations Act?
- We understand a number of the Company's leased aircraft may have been repossessed. Are there any unencumbered assets or leased assets remaining in the possession of the Company to enable it to continue its business operations and do you intend to continue to trade the business in any capacity?
- How many staff are employed/were employed by the Company and has the workforce been maintained or reduced?
- Are/were the employees employed on a full time, part time or casual basis?
- Are there any outstanding employee entitlements, other than superannuation?
- Is there superannuation outstanding? If so, please provide details.
- Is there an ALLPAAP/GSA secured creditor?
- Are you expecting to receive a DOCA proposal for the sale or restructure of the Company's business?
- Is there likely to be any FEG exposure if a DOCA proposal is not submitted or is not accepted by creditors and, if so, are you in a position to estimate the likely dollar value of the exposure?
- Is it likely you will seek to extend the convening period for the second meeting of creditors?

If convenient we are available for a call to discuss the above questions.

Should you have any queries, please contact s22(1)(a)(ii) of this office on (07) s22(1)(a)(ii) or s22(1)(a)(ii) dewr.gov.au.

Yours faithfully

s22(1)(a)(ii)


Henry Carr
Branch Manager / Senior Executive Lawyer

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From: Everist, Kai
Sent: Tuesday, 30 April 2024 8:25 PM
To: 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: RE: Bonza TPs for ministers [SEC=OFFICIAL]
Attachments: Bonza (004) (003) (002).docx

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
Sent: Monday, 22 April 2024 7:45 AM
To: Everist, Kai ; ^{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: 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 Zaheed

First Assistant Secretary – Labour Market, Environment, Industry and Infrastructure Division

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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

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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

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

Sent: Sunday, April 21, 2024 10:47 PM

To: Zaheed, Mohita <Mohita.Zaheed@treasury.gov.au>; s22(1)(a)(ii) <s22(1)(a)(ii) TREASURY.GOV.AU>; Jose, Cameron (Department of Finance - Protected) <Cameron.Jose@finance.gov.au>; Christina.Garbin@pmc.gov.au; Werner, Stephanie <Stephanie.Werner@infrastructure.gov.au>; s22(1)(a)(ii) finance.gov.au

Subject: Bonza TPs for ministers [SEC=OFFICIAL]

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



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BONZA voluntary administration

Statement

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.

At this stage, Bonza has cancelled all flights from Tuesday 30 April 2024 until Thursday 2 May 2024.

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 available until 10pm tonight (30 April) for Bonza passengers requiring advice, including on the options available to help get them home. The hotline will be open again at 7am tomorrow morning (1 May).

Qantas, Virgin Australia and Jetstar are 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

Customers who have been affected can also:

- seek further information from 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.

Q&A

- **Why won't the government bail out Bonza?**

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.

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

- **Did Bonza ask the Government for help?**

Officials from my Department have been holding conversations with Bonza, and will be speaking to the administrator later today.

It would not be appropriate to go into the detail of the Government's discussions 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.

- **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 is available until 10pm tonight for Bonza passengers requiring advice, including on the options available to help get them home. The hotline will be open again at 7am tomorrow morning.

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. Call:

- 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.

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 employees?**

About 270 people work for Bonza, 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.

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

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

We were advised Bonza had entered into voluntary administration the afternoon of 30 April 2024.

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 operates 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-based 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: Everist, Kai
Sent: Wednesday, 1 May 2024 11:40 AM
To: Zaheed, Mohita; [redacted] Jose, Cameron (Department of Finance - Protected); Christina.Garbin@pmc.gov.au; Werner, Stephanie; [redacted] finance.gov.au; CARR, Henry
Subject: RE: Bonza TPs for ministers [SEC=OFFICIAL]
Attachments: Bonza Talking Points 1 May 2024.docx

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'; [redacted]; Jose, Cameron (Department of Finance - Protected); Christina.Garbin@pmc.gov.au; Werner, Stephanie; [redacted] finance.gov.au
Subject: RE: Bonza TPs for ministers [SEC=OFFICIAL]

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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.

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.

Q&A

- **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.

- **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.

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: Everist, Kai
Sent: Wednesday, 1 May 2024 6:06 PM
To: Zaheed, Mohita; ^{s22(1)(a)(ii)} Mowbray, Nick; Christina.Garbin@pmc.gov.au; Jose, Cameron (Department of Finance - Protected); ^{s22(1)(a)(ii)} finance.gov.au; CARR, Henry
Cc: PURVIS-SMITH, Marisa; Werner, Stephanie; BURKE, Chris; BOWD, Reuben; BUCKLEY, Brendon; ^{s22(1)(a)(ii)}
Subject: FW: Bonza Aviation (Administrators Appointed) - Media Statement - 1 May 2024 [SEC=OFFICIAL]
Attachments: Bonza Press Release 1 May 2024 - Hall Chadwick.pdf

OFFICIAL

Hi all

FYI - we have received the attached media release from the administrator.

Thanks

Kai

OFFICIAL

From: ^{s47F}
Sent: Wednesday, 1 May 2024 6:01 PM
To: ^{s47F}
Subject: Bonza Aviation (Administrators Appointed) - Media Statement - 1 May 2024

Hi all,

Please find attached a media statement relating to Bonza Aviation Pty Ltd, from the Voluntary Administrators.

Kind regards

Kathleen Vouris

Partner

Level 40 | 2 Park Street | Sydney | NSW 2000 | Australia

T +61 2 9263 ^{s47F} | **Main** +61 2 9263 2600 | **F** +61 2 9263 2800

E ^{s47F} hallchadwick.com.au | **W** www.hallchadwick.com.au

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Issued on behalf of Bonza Aviation Pty Ltd (Administrators Appointed)

Kind regards,

s47F [Redacted]

s47F [Redacted]

M: s47F [Redacted]
E: s47F [Redacted] @gmail.com

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From: Everist, Kai
Sent: Wednesday, 1 May 2024 6:32 PM
To: CARR, Henry
Subject: Re: Bonza TPs for ministers [SEC=OFFICIAL]

OFFICIAL

Thanks Henry. We will include these in tomorrow's update

Kai

OFFICIAL

From: "CARR, Henry" <Henry.Carr@dewr.gov.au>
Date: Wednesday 1 May 2024 at 4:06:59 PM
To: "Everist, Kai" <Kai.Everist@infrastructure.gov.au>
Subject: RE: Bonza TPs for ministers [SEC=OFFICIAL]

Hello Kai the FEG team have suggested further tweaks, per below

- **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.

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.

~~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.

From: Everist, Kai
Sent: Wednesday, May 1, 2024 12:28 PM
To: CARR, Henry ; 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: RE: Bonza TPs for ministers [SEC=OFFICIAL]

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OFFICIAL

Thanks Henry

I've updated the TPs to remove that line.

I am planning to send further TPs later today, with updated numbers and to reflect any changes in the situation.

Kai

OFFICIAL

From: CARR, Henry <Henry.Carr@dewr.gov.au>

Sent: Wednesday, 1 May 2024 12:08 PM

To: Everist, Kai <Kai.Everist@infrastructure.gov.au>; Zaheed, Mohita <Mohita.Zaheed@treasury.gov.au>; ^{s22(1)(a)(ii)} <^{s22(1)(a)(ii)} TREASURY.GOV.AU>; Jose, Cameron (Department of Finance - Protected) <Cameron.Jose@finance.gov.au>; Christina.Garbin@pmc.gov.au; Werner, Stephanie <Stephanie.Werner@infrastructure.gov.au>; ^{s22(1)(a)(ii)} <^{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 paying creditors, rather the VA's focus is (together with the creditors) determining the company's future.

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

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

Sent: Wednesday, May 1, 2024 11:40 AM

To: Zaheed, Mohita <Mohita.Zaheed@treasury.gov.au>; ^{s22(1)(a)(ii)} <^{s22(1)(a)(ii)} TREASURY.GOV.AU>; Jose, Cameron (Department of Finance - Protected) <Cameron.Jose@finance.gov.au>; Christina.Garbin@pmc.gov.au; Werner, Stephanie <Stephanie.Werner@infrastructure.gov.au>; ^{s22(1)(a)(ii)} <^{s22(1)(a)(ii)} finance.gov.au>; CARR, Henry <Henry.Carr@dewr.gov.au>

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

^{s22(1)(a)(ii)} - duplicate email chain

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

From: Everist, Kai
Sent: Thursday, 2 May 2024 11:46 AM
To: §22(1)(a)(ii)
Subject: RE: FOR ADVICE PLEASE: Bonza [SEC=OFFICIAL]

OFFICIAL

Thanks §22(1)(a)

OFFICIAL

From: §22(1)(a)(ii)
Sent: Thursday, 2 May 2024 11:29 AM
To: Everist, Kai
Cc: Werner, Stephanie ; Zaheed, Mohita ; §22(1)(a)(ii) ; §22(1)(a)(ii)
Subject: RE: FOR ADVICE PLEASE: Bonza [SEC=OFFICIAL]

OFFICIAL

Thanks Kai. Yup that looks good.

Cheers,
§22(1)(a)

OFFICIAL

From: Everist, Kai <Kai.Everist@infrastructure.gov.au>
Sent: Thursday, May 2, 2024 11:20 AM
To: §22(1)(a)(ii) <§22(1)(a)(ii)@TREASURY.GOV.AU>
Cc: Werner, Stephanie <Stephanie.Werner@infrastructure.gov.au>; Zaheed, Mohita <Mohita.Zaheed@treasury.gov.au>; §22(1)(a)(ii) <§22(1)(a)(ii)@TREASURY.GOV.AU>; §22(1)(a)(ii) <§22(1)(a)(ii)@TREASURY.GOV.AU>
Subject: RE: FOR ADVICE PLEASE: Bonza [SEC=OFFICIAL]

OFFICIAL

Thanks §22(1)(a)

Can you please review the below draft response, and confirm Treasury’s position that it is correct:

Under the Corporations Act, it is the duty of company directors to determine when a company is insolvent and must stop trading. ASIC issues guidance for company directors on how to comply with these duties, see [Insolvency for directors | ASIC](#)

Kai

OFFICIAL

From: §22(1)(a)(ii) <§22(1)(a)(ii)@TREASURY.GOV.AU>
Sent: Thursday, 2 May 2024 11:13 AM

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To: Everist, Kai <Kai.Everist@infrastructure.gov.au>
Cc: Werner, Stephanie <Stephanie.Werner@infrastructure.gov.au>; Zaheed, Mohita <Mohita.Zaheed@treasury.gov.au>; s22(1)(a)(ii) <s22(1)(a)(ii)> @TREASURY.GOV.AU; s22(1)(a)(ii) <s22(1)(a)(ii)> @TREASURY.GOV.AU>
Subject: RE: FOR ADVICE PLEASE: Bonza [SEC=OFFICIAL:Sensitive]

OFFICIAL:Sensitive

Hi Kai,

As discussed just now, it would be best to draw on the relevant ASIC guidance for the response that it is the directors of the company who are under a positive duty to prevent the company from trading and incurring debts if it is insolvent.

This is from the ASIC website - [Insolvency for direc...~https://asic.gov.au/regulatory-resources/insolvency/insolvency-for-directors/](https://asic.gov.au/regulatory-resources/insolvency/insolvency-for-directors/) and in ASIC Regulatory Guide 217 [RG 217 Duty to prevent insolvent trading: Guide for directors | ASIC](#). The relevant sections are extracted below.

RG 217.7 A director has a positive duty to prevent insolvent trading under s588G of the *Corporations Act 2001* (Corporations Act).

RG 217.23 A director must ensure proper financial records are kept by the company and take reasonable steps to remain properly and fully informed about the financial affairs of the company at all times so that they can reasonably form a view about:

- (a) the company's present financial viability; and
- (b) the impact of incurring any further debts.

Thanks,

s22(1)(a)

OFFICIAL:Sensitive

From: Everist, Kai <Kai.Everist@infrastructure.gov.au>
Sent: Thursday, May 2, 2024 9:24 AM
To: s22(1)(a)(ii) <s22(1)(a)(ii)> TREASURY.GOV.AU>
Cc: Werner, Stephanie <Stephanie.Werner@infrastructure.gov.au>
Subject: FW: FOR ADVICE PLEASE: Bonza [SEC=OFFICIAL:Sensitive]
Importance: High

OFFICIAL:Sensitive

Hi s22(1)(a)

As discussed.

Thanks
Kai

OFFICIAL:Sensitive

From: Media <media@infrastructure.gov.au>
Sent: Thursday, 2 May 2024 9:18 AM

To: Everist, Kai <Kai.Everist@infrastructure.gov.au>; s22(1)(a)(ii) <s22(1)(a)(ii)> infrastructure.gov.au>
 Cc: Media <media@infrastructure.gov.au>
 Subject: FOR ADVICE PLEASE: Bonza [SEC=OFFICIAL:Sensitive]
 Importance: High

OFFICIAL:Sensitive

Hi Kai and Ben,

Please see below media enquiry the C King MO have got. s47C

Grateful for your advice

please.

Media Enquiry (s47F AFR):

I'm keen to understand why Bonza was allowed to continue raising revenue despite the Minister having discussed its financial concerns upon the initial reports of Korda Mentha's appointment.

Thousands of Australians have put more cash into a clearly troubled vehicle. Can you please comment on what steps the government took to try to protect consumers, especially given the sale fares announced in recent weeks are estimated to have raised \$30 million.

Kind Regards,

s22(1)(a)(ii)

s22(1)(a)(ii)

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

P +61 2 6136 s22(1)(a)(ii) • M s22(1)(a)(ii) (media on-call number) • E s22(1)(a)(ii) infrastructure.gov.au
 Ngunnawal Country, GPO Box 594 Canberra, ACT 2601

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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:Sensitive

s22(1)(a)(ii)

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s22(1)(a)(ii)

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From: s22(1)(a)(ii) <s22(1)(a)(ii)> dewr.gov.au>
Sent: Thursday, 2 May 2024 2:33 PM
To: CARR, Henry; Zaheed, Mohita; s22(1)(a)(ii) PURVIS-SMITH, Marisa; Christina.Garbin@pmc.gov.au; Werner, Stephanie; Everist, Kai; Jose, Cameron; s22(1)(a)(ii) s22(1)(a)(ii) s22(1)(a)(ii); s22(1)(a)(ii); ACT-A-B3-Transport
Cc: s22(1)(a)(ii)
Subject: RE: Bonza - wrap up [SEC=OFFICIAL]

Hi Mohita,

Just to clarify further, there is no secured creditor with a charge over all of the Company assets but, there are 2 All PAAPs, with exception registered by aircraft lessors who have an interest over most of the current and future property of the company, but with some exceptions.

1. JWARP II LLC has a charge over All present and after acquired property except personal property which is not leased in connection with, or related to, or to the lease of, The Boeing Company 737-8MAX airframe with MSN 43975 or CFM International, Inc. CFM LEAP-1B27 engine with manufacturer's numbers 603058 or 603059 or which is not subject to a security agreement between secured party and grantor.
2. AIP Aircraft 2 LLC, has a charge over All present and after acquired property except personal property which is not leased in connection with, or related to, or to the lease of, The Boeing Company 737-8MAX airframe with MSN 61864 or CFM International, Inc. CFM LEAP-1B27 engines with manufacturer's numbers 603611 or 603717 or which is not subject to a security agreement between secured party and grantor.

There are also 17 PMSIs (fixed security interests over specific assets) registered over aircraft.

Kind regards

s22(1)(a)(ii)

Senior Forensic Investigator

Active Creditor | Recovery and Litigation Branch

Entitlements Safeguards Division

Australian Government Department of Employment and Workplace Relations

T: (07) s22(1)(a)(ii) (ext. s22(1)(a)(ii) s22(1)(a)(ii) dewr.gov.au)

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From: CARR, Henry

Sent: Thursday, May 2, 2024 2:06 PM

To: Zaheed, Mohita; s22(1)(a)(ii); marisa.purvissmith@infrastructure.gov.au; Christina.Garbin@pmc.gov.au; stephanie.werner@infrastructure.gov.au; Kai.Everist@infrastructure.gov.au; Jose, Cameron; s22(1)(a)(ii); s22(1)(a)(ii); s22(1)(a)(ii); ACT-A-B3-Transport; s22(1)(a)(ii)

Cc: s22(1)(a)(ii)

Subject: RE: Bonza - wrap up [SEC=OFFICIAL]

Hi Mohita

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It is where a secured party takes a security that encompasses all of the company’s assets including future assets of the company.

AKA a great big net that scoops up everything of value, for the benefit of the secured party.

Regards

Henry

All present and after acquired property (All-PAAP) with and without exceptions - this generally describes all of the current and future [personal property^{\[1\]}-definition](#) of a grantor. It is similar to the pre-PPSR security known as a fixed and floating charge. An All-PAAP is often granted by businesses to their main financier under a general security deed.

From: Zaheed, Mohita <Mohita.Zaheed@treasury.gov.au>
Sent: Thursday, May 2, 2024 1:50 PM
To: CARR, Henry <Henry.Carr@dewr.gov.au>; <§22(1)(a)(ii)> <§22(1)(a)(ii)> TREASURY.GOV.AU>; marisa.purvissmith@infrastructure.gov.au; Christina.Garbin@pmc.gov.au; stephanie.werner@infrastructure.gov.au; Kai.Everist@infrastructure.gov.au; Jose, Cameron <Cameron.Jose@finance.gov.au>; <§22(1)(a)(ii)> <§22(1)(a)(ii)> finance.gov.au>; <§22(1)(a)(ii)> <§22(1)(a)(ii)> @TREASURY.GOV.AU>; <§22(1)(a)(ii)> <§22(1)(a)(ii)> @treasury.gov.au>; <§22(1)(a)(ii)> <§22(1)(a)(ii)> @finance.gov.au>; ACT-A-B3-Transport <§22(1)(a)(ii)> <§22(1)(a)(ii)> @infrastructure.gov.au>; <§22(1)(a)(ii)> <§22(1)(a)(ii)> dewr.gov.au>
Cc: <§22(1)(a)(ii)> <§22(1)(a)(ii)> @pmc.gov.au>
Subject: RE: Bonza - wrap up [SEC=OFFICIAL]

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OFFICIAL

Hi all

1. Apologies if this is obvious to others but Henry what does “The lessor of the aircraft has an All PAAP but it is with exception.” mean

Mohita

Mohita Zaheed
 First Assistant Secretary – Labour Market, Environment, Industry and Infrastructure Division
 P +61 2 6263 <§22(1)(a)(ii)> M +61 <§22(1)(a)(ii)>

EA Contact: <§22(1)(a)(ii)> P +61 2 6263 <§22(1)(a)(ii)> E <§22(1)(a)(ii)> @treasury.gov.au

treasury.gov.au
 Langton Crescent, Parkes ACT 2600

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Kathleen noted she understands that the FEG Scheme is only available once a company is in liquidation but asked if there is any support the department can provide to employees now. I noted this is really a request for FEG not our department and asked her to put her request in writing.

Kind regards

s22(1)(a)(ii)

Senior Forensic Investigator

Active Creditor | Recovery and Litigation Branch

Entitlements Safeguards Division

Australian Government Department of Employment and Workplace Relations

T: (07) s22(1)(a)(ii) (ext. s22(1)(a)(ii) s22(1)(a)(ii) dewr.gov.au)

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From: Everist, Kai
Sent: Thursday, 2 May 2024 2:54 PM
To: §22(1)(a)(ii) Christina.Garbin@pmc.gov.au; Jose, Cameron; §22(1)(a)(ii) §22(1)(a)(ii);
 henry.carr@dewr.gov.au; §22(1)(a)(ii); §22(1)(a)(ii);
Cc: PURVIS-SMITH, Marisa; Werner, Stephanie; BUCKLEY, Brendon; §22(1)(a)(ii)
Subject: FW: Important Press Release [SEC=OFFICIAL]
Attachments: Outlook-HC_logo; Outlook-PrimeGloba; Bonza Press Release 2 May 1 - Hall Chadwick.pdf

OFFICIAL

Hi all

See attached media release from the Bonza administrator, which will confirm that flights are cancelled up until the end of Tuesday next week (7 May).

Thanks
Kai

OFFICIAL

From: Brent Kijurina
Sent: Thursday, 2 May 2024 2:49 PM
To: PURVIS-SMITH, Marisa ; Everist, Kai
Cc: §47F ; Kathleen Vouris
Subject: Important Press Release

Hi Marisa and Kai - please see attached about to be released.

Talk at 4pm.

Regards

Brent

Brent Kijurina

Partner

Hall Chadwick



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Level 40 | 2 Park Street | Sydney | NSW 2000 | Australia

M ^{s47F} [REDACTED] | T +61 2 9263 2600 | D +61 2 9263 ^{s47F} [REDACTED]

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**Bonza Aviation Pty Ltd
(Administrators Appointed)
A.C.N. 653 309 909
("the Company")**

2 May 2024

The Administrators refer to the grounding of the fleet that occurred on Tuesday 30 April 2024 which was confirmed in an earlier release to be up to and including Thursday 2 May 2024.

Whilst the Administrators are continually in discussions with the Lessor of the Company's fleet and relevant parties regarding resumption of operations, those discussions are occurring daily and will continue to take place over the forthcoming days and into next week.

As such the Administrators are unable to resume flight operations from Friday 3 May 2024 up to and including Tuesday 7 May 2024. Customers with bookings during this period are advised not to travel to the airport.

Customers scheduled to travel during this time are requested to make alternative arrangements with other airline carriers.

The Administrators and the Company appreciate the impact this is having on customers and employees.

A further update is scheduled to be issued later today.

s22(1)(a)(ii)

From: s22(1)(a)(ii)
Sent: Thursday, 2 May 2024 3:37 PM
To: s22(1)(a)(ii)
Cc: Infrastructure at PMC
Subject: PMO request for briefing: Rockhampton Bonza flights ~~[SEC=PROTECTED]~~

~~**PROTECTED**~~

Hi s22(1)(a)(ii)

Hope you and the team are doing well, understand you are all under the pump at the moment. I have a small request coming from the PMO s22(1)(a)(ii), I know the timing is not ideal, so my apologies.

They're wanting information on how the cancelled Bonza flights have impacted the community. To my understanding the following flights operate out of Rockhampton and have been impacted.

- Rockhampton to Cairns (Monday, Friday)
- Rockhampton to Sunshine Coast (Tuesday, Saturday)
- Rockhampton to Melbourne (Tuesday, Saturday)
- Rockhampton to Gold Coast (Monday, Wednesday, Friday)

Also understand that Bonza ended its Townsville-Rockhampton service in March just this year.

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I compiled this information on what is readily available online, but wanted to check with yourselves around numbers of flights cancelled, number of passengers returning or leaving, or any other related information which may assist in the briefing (DITRDCA call centre, Virgin flying others back, etc).

Appreciate if you could get back to me 1pm Friday (tomorrow).

Kind regards,

s22(1)(a)
(ii)

s22(1)(a)(ii)

| Adviser

Infrastructure and Transport | Industry, Infrastructure and Environment Division

Department of the Prime Minister and Cabinet

P: (02) 6271 s22(1)(a)(ii) | E: s22(1)(a)(ii) pmc.gov.au

Nggunawal Country, One National Circuit Barton ACT 2600 | PO Box 6500 CANBERRA ACT 2600



The Department acknowledges and pays respect to the past, present and emerging Elders and Traditional Custodians of Country, and the continuation of cultural, spiritual and educational practices of Aboriginal and Torres Strait Islander peoples.

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From: Everist, Kai
Sent: Thursday, 2 May 2024 4:03 PM
To: CARR, Henry; Zaheed, Mohita; [redacted] Jose, Cameron (Department of Finance - Protected); Christina.Garbin@pmc.gov.au; Werner, Stephanie; [redacted] finance.gov.au
Subject: RE: Bonza TPs for ministers [SEC=OFFICIAL]
Attachments: Bonza Talking Points 2 May 2024.docx

OFFICIAL

Hi all

See attached updated TPs for today.

Thanks
Kai

OFFICIAL

From: Everist, Kai
Sent: Wednesday, 1 May 2024 12:28 PM
To: 'CARR, Henry' ; Zaheed, Mohita ; [redacted] ; Jose, Cameron (Department of Finance - Protected) ; Christina.Garbin@pmc.gov.au; Werner, Stephanie ; [redacted] finance.gov.au
Subject: RE: Bonza TPs for ministers [SEC=OFFICIAL]
s22(1)(a)(ii) - duplicate email chain



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

OFFICIAL:Sensitive

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:

- 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.

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Transport, Regional Development, Communications and the Arts

OFFICIAL:Sensitive

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

Q&A

- **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.

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OFFICIAL:Sensitive

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.

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.

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.

OFFICIAL:Sensitive

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?**

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.

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

OFFICIAL:Sensitive

From: Everist, Kai
Sent: Thursday, 2 May 2024 4:42 PM
To: CARR, Henry; Zaheed, Mohita; [redacted] Jose, Cameron (Department of Finance - Protected); Christina.Garbin@pmc.gov.au; Werner, Stephanie; [redacted] finance.gov.au
Subject: RE: Bonza TPs for ministers [SEC=OFFICIAL]
Attachments: Bonza Talking Points 2 May 2024.docx

OFFICIAL

Hi all.

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

Kai

OFFICIAL

From: Everist, Kai
Sent: Thursday, 2 May 2024 4:03 PM
To: 'CARR, Henry'; 'Zaheed, Mohita'; [redacted]; 'Jose, Cameron (Department of Finance - Protected)'; 'Christina.Garbin@pmc.gov.au'; Werner, Stephanie; [redacted] finance.gov.au
Subject: RE: Bonza TPs for ministers [SEC=OFFICIAL]
s22(1)(a)(ii) - duplicate email chain



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

OFFICIAL:Sensitive

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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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.

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

OFFICIAL:Sensitive

OFFICIAL:Sensitive

Key facts and figures

As at 3:00pm 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 3,500 Bonza passengers
 - Virgin Australia has re-booked over 1,250 passengers
 - Jetstar has made around 1,780 re-bookings
 - Qantas has made around 560 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.*

Q&A

- **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

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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- Virgin Australia on 13 67 89
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- **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.

OFFICIAL:Sensitive

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

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?**

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.

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OFFICIAL:Sensitive

From: Everist, Kai
Sent: Friday, 3 May 2024 6:51 AM
To: §22(1)(a)(ii); Christina.Garbin@pmc.gov.au; Jose, Cameron; §22(1)(a)(ii); §22(1)(a)(ii); henry.carr@dewr.gov.au; §22(1)(a)(ii); §22(1)(a)(ii);
Cc: PURVIS-SMITH, Marisa; Werner, Stephanie; BUCKLEY, Brendon; §22(1)(a)(ii)
Subject: Further media release from Hall Chadwick [SEC=OFFICIAL]
Attachments: Bonza Press Release 2 May 2 - Hall Chadwick.pdf

OFFICIAL

Hi all

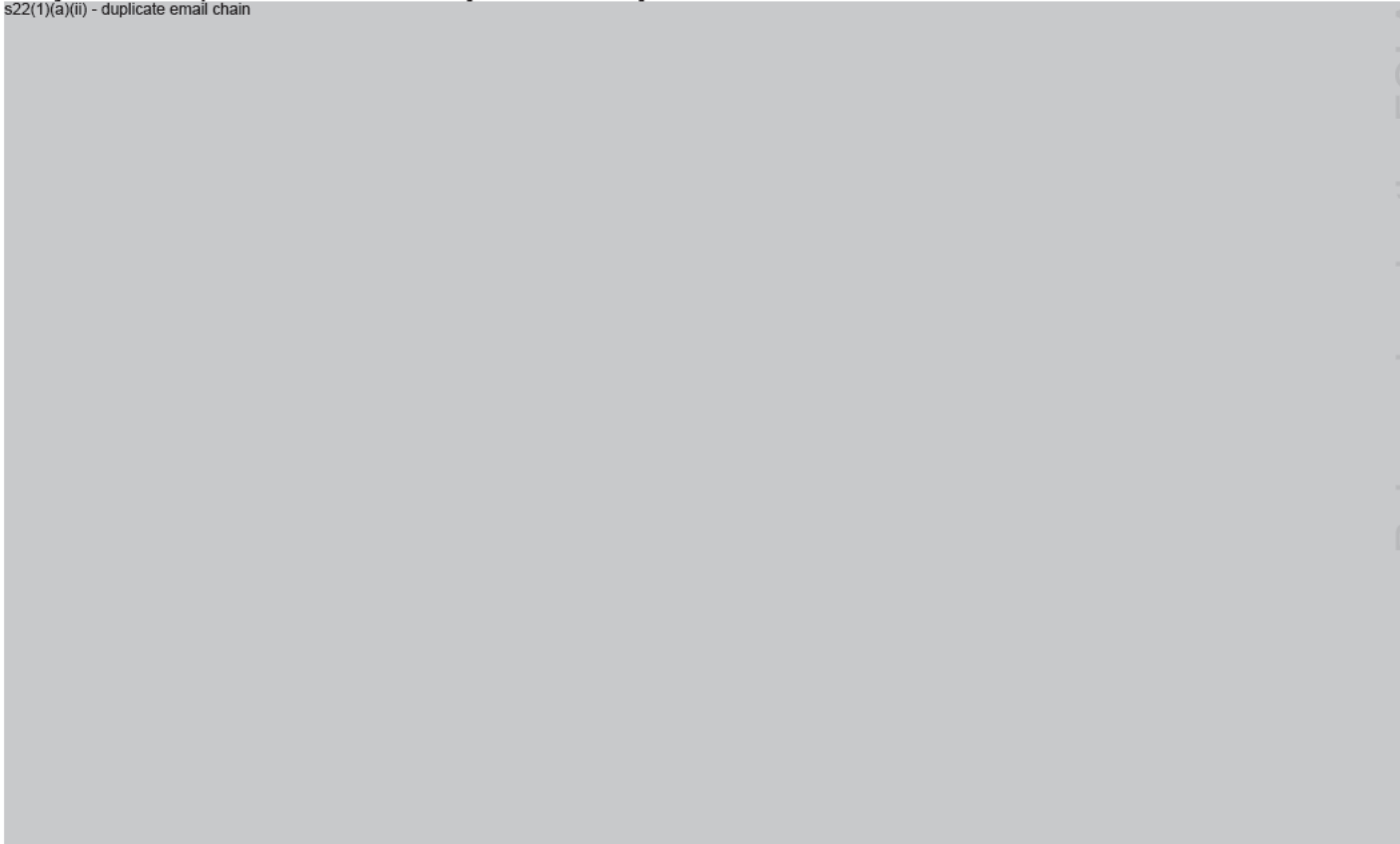
The administrator sent through a further media release at 11pm last night – see attached. It confirms that the majority of Bonza staff have been stood down.

Thanks
Kai

OFFICIAL

From: Everist, Kai
Sent: Thursday, 2 May 2024 2:54 PM
To: §22(1)(a)(ii); Christina.Garbin@pmc.gov.au; Jose, Cameron; §22(1)(a)(ii); §22(1)(a)(ii); henry.carr@dewr.gov.au; §22(1)(a)(ii); §22(1)(a)(ii);
Cc: PURVIS-SMITH, Marisa; Werner, Stephanie; BUCKLEY, Brendon; §22(1)(a)(ii)
Subject: FW: Important Press Release [SEC=OFFICIAL]

§22(1)(a)(ii) - duplicate email chain



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

From: CARR, Henry <Henry.Carr@dewr.gov.au>
Sent: Friday, 3 May 2024 9:48 AM
To: Everist, Kai; ^{s22(1)(a)(ii)} Christina.Garbin@pmc.gov.au; Jose, Cameron; ^{s22(1)(a)(ii)} ^{s22(1)(a)(ii)}
Cc: PURVIS-SMITH, Marisa; Werner, Stephanie; BUCKLEY, Brendon; ^{s22(1)(a)(ii)}
Subject: Bonza VA query to DEWR re stood down employees [SEC=OFFICIAL]

Hi All

FYI DEWR received the following queries from the Bonza VA this morning;

1. Late yesterday evening I stood down approximately 301 employees, the information below is in relation to termination. Are there any resources/support in and stand down situation that be offered at this time to employees?
2. Whilst an employee is stood down and assuming they are full time and during the stand down period they seek alternative employment either, contract, casual, part time or fulltime, would this impact on their ability to claim PILN and redundancy with FEG should the company be placed into Liquidation?

We will loop you in to any response.

Best regards

Henry

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

Notice:

The information contained in this email message and any attached files may be confidential information, and may also be the subject of legal professional privilege. If you are not the intended recipient any use, disclosure or copying of this email is unauthorised. If you received this email in error, please notify the sender by contacting the department's switchboard on 1300 488 064 during business hours (8:30am - 5pm Canberra time) and delete all copies of this transmission together with any attachments.

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

From: Everist, Kai
Sent: Friday, 3 May 2024 1:07 PM
To: CARR, Henry; Zaheed, Mohita; [REDACTED] Jose, Cameron (Department of Finance - Protected); Christina.Garbin@pmc.gov.au; Werner, Stephanie; [REDACTED] finance.gov.au; [REDACTED]
Subject: RE: Bonza TPs for ministers [SEC=OFFICIAL]
Attachments: Bonza Talking Points 3 May 2024.docx

OFFICIAL

Hi all

See attached updated TPs for today. This will likely be the last update until next week, unless there are significant developments.

Thanks
 Kai

OFFICIAL

From: Everist, Kai
Sent: Thursday, 2 May 2024 4:56 PM
To: 'CARR, Henry'; 'Zaheed, Mohita'; [REDACTED]; 'Jose, Cameron (Department of Finance - Protected)'; 'Christina.Garbin@pmc.gov.au'; Werner, Stephanie; [REDACTED] finance.gov.au
Subject: RE: Bonza TPs for ministers [SEC=OFFICIAL]

OFFICIAL

FYI, Minister King has announced the Government hotline will cease at 5pm Friday [Thousands assisted to get home after Bonza flight cancellations | Ministers for the Department of Infrastructure](#)

OFFICIAL

From: Everist, Kai
Sent: Thursday, 2 May 2024 4:42 PM
To: 'CARR, Henry' <Henry.Carr@dewr.gov.au>; 'Zaheed, Mohita' <Mohita.Zaheed@treasury.gov.au>; [REDACTED] <[REDACTED]@TREASURY.GOV.AU>; 'Jose, Cameron (Department of Finance - Protected)' <Cameron.Jose@finance.gov.au>; 'Christina.Garbin@pmc.gov.au' <Christina.Garbin@pmc.gov.au>; Werner, Stephanie <Stephanie.Werner@infrastructure.gov.au>; [REDACTED] <[REDACTED]@finance.gov.au>
Subject: RE: Bonza TPs for ministers [SEC=OFFICIAL]
 s22(1)(a)(ii) - duplicate email chain

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

OFFICIAL:Sensitive

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.

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

OFFICIAL:Sensitive

OFFICIAL:Sensitive**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
 - 967 calls on 1 May
 - 531 calls on 2 May
 - 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.*

Q&A

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

OFFICIAL:Sensitive

OFFICIAL:Sensitive

- **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
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- **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.

OFFICIAL:Sensitive

OFFICIAL:Sensitive

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.

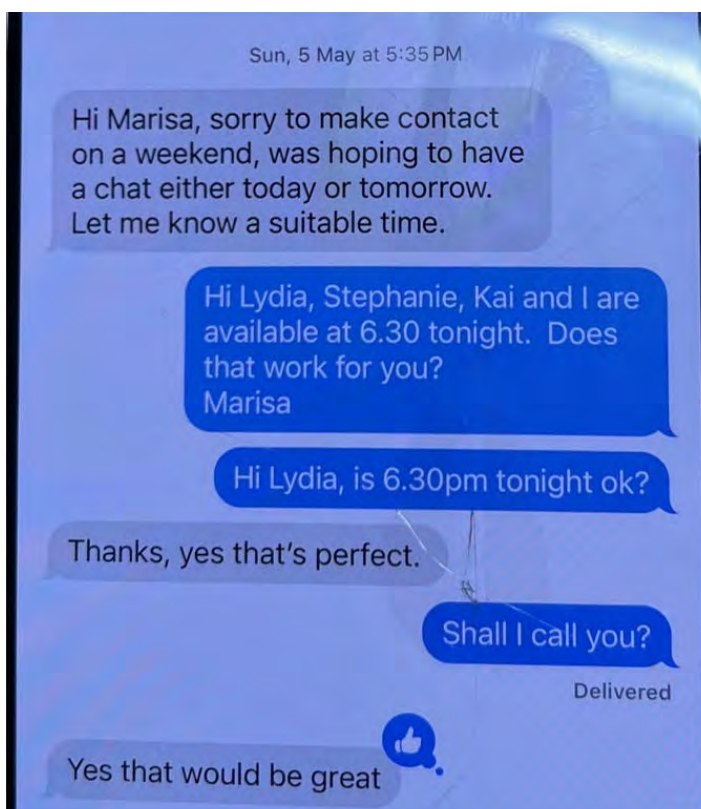
Background

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.

OFFICIAL:Sensitive



From: Everist, Kai
Sent: Monday, 6 May 2024 12:11 PM
To: Zaheed, Mohita; CARR, Henry; Jose, Cameron (Department of Finance - Protected);
 Christina.Garbin@pmc.gov.au; §22(1)(a)(ii) finance.gov.au; §22(1)(a)(ii); §22(1)(a)(ii)
Cc: Werner, Stephanie
Subject: FW: Important Press Release [SEC=OFFICIAL]
Attachments: Bonza Press Release 3 May - Hall Chadwick.pdf

OFFICIAL

Hi all

Apologies, I did not forward on this release that came out in Friday. It confirms the number of Bonza staff stood down (302 of 323) and that they were stood down until 7 May (inclusive).

Thanks
 Kai

OFFICIAL

From: Brent Kijurina
Sent: Friday, 3 May 2024 7:19 PM
To: PURVIS-SMITH, Marisa ; Everist, Kai
Cc: §47F ; Kathleen Vouris
Subject: Re: Important Press Release

Hi Marisa and Kai,

Media Release attached for your records.

Kind regards

Brent

From: Brent Kijurina
Sent: Thursday, May 2, 2024 10:37 PM
To: PURVIS-SMITH, Marisa <Marisa.PurvisSmith@infrastructure.gov.au>; Everist, Kai
 <Kai.Everist@infrastructure.gov.au>
Cc: §47F <§47F> <§47F@hallchadwick.com.au>; Kathleen Vouris <§47F@hallchadwick.com.au>
Subject: RE: Important Press Release
 §22(1)(a)(ii) - duplicate email chain

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

From: Everist, Kai
Sent: Tuesday, 7 May 2024 1:50 PM
To: Zaheed, Mohita; Mowbray, Nick; s22(1)(a)(ii) Christina.Garbin@pmc.gov.au; s22(1)(a)(ii); Jose, Cameron (Department of Finance - Protected); s22(1)(a)(ii) finance.gov.au; CARR, Henry
Cc: Werner, Stephanie
Subject: FW: Bonza Aviation (Administrators Appointed) - Media Statement - 3 May 2024 [SEC=OFFICIAL]
Attachments: Bonza Press Release - 7 May 2024 - Hall Chadwick.pdf

OFFICIAL

Hi all

See attached release from Hall Chadwick confirming that Bonza flights will be grounded until 14 May, inclusive, and that staff will be stood down for the same period.

I will send around updated TPs this afternoon.

Thanks
 Kai

OFFICIAL

From: s47F
Sent: Tuesday, 7 May 2024 1:45 PM
To: s47F
Subject: Bonza Aviation (Administrators Appointed) - Media Statement - 3 May 2024

Hi all,

Please find attached a media statement relating to Bonza Aviation Pty Ltd, from the Voluntary Administrators.

Kind regards

Kathleen Vouris

Partner

Level 40 | 2 Park Street | Sydney | NSW 2000 | Australia

T +61 2 9263 s47F | **Main** +61 2 9263 2600 | **F** +61 2 9263 2800

E s47F hallchadwick.com.au | **W** www.hallchadwick.com.au

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

Issued on behalf of Bonza Aviation Pty Ltd (Administrators Appointed)

Kind regards,

§47F [Redacted]

§47F [Redacted]

M: §47F [Redacted]
E: §47F [Redacted] [@gmail.com](#)

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

From: Everist, Kai
Sent: Tuesday, 7 May 2024 8:13 PM
To: Zaheed, Mohita; Mowbray, Nick; [redacted]; Christina.Garbin@pmc.gov.au; [redacted]; Jose, Cameron (Department of Finance - Protected); [redacted] finance.gov.au; CARR, Henry
Cc: Werner, Stephanie
Subject: Bonza TPs [SEC=OFFICIAL]
Attachments: Bonza Talking Points 7 May 2024.docx

OFFICIAL

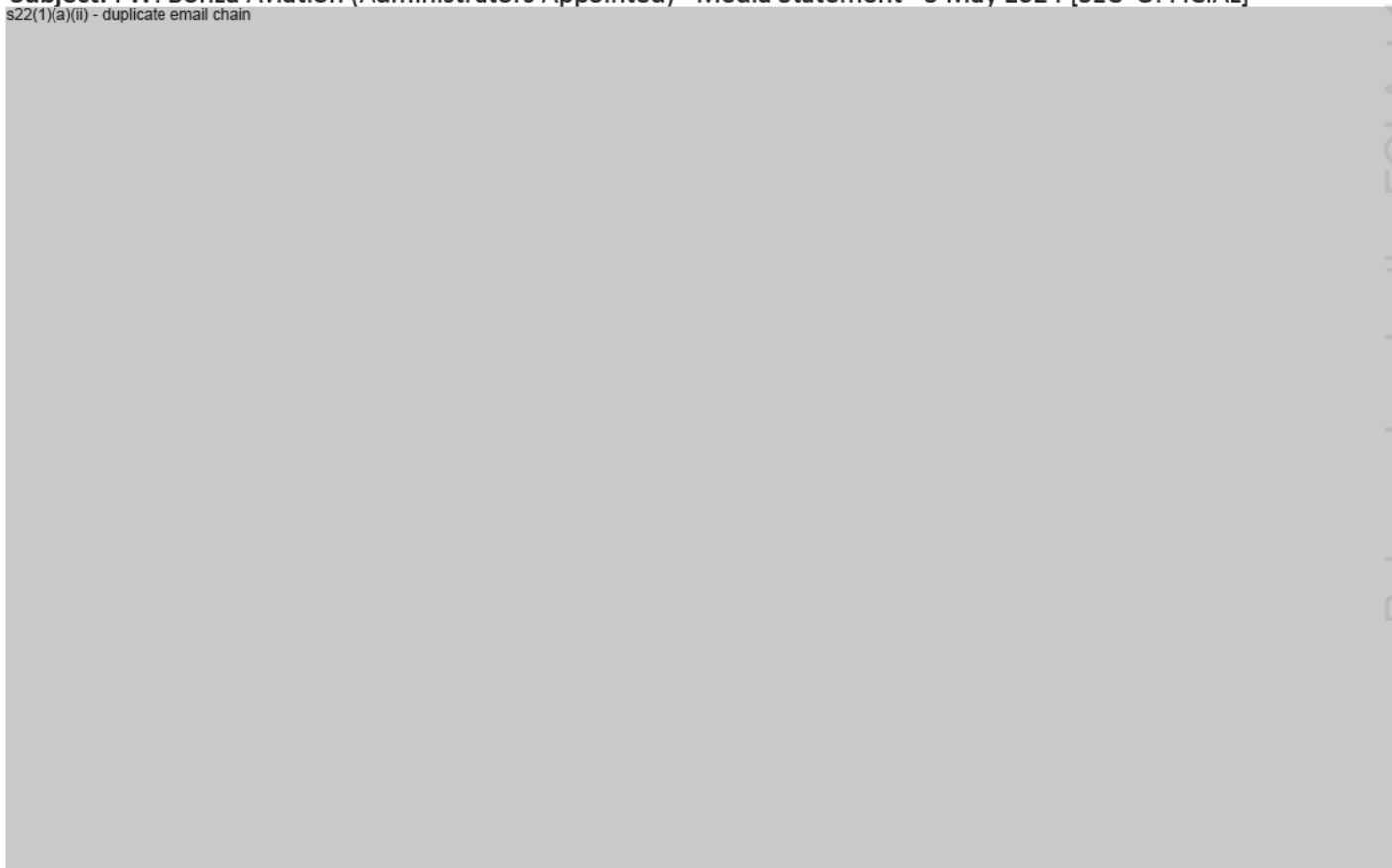
Hi all

See attached updated Bonza TPs.

Thanks
Kai

OFFICIAL

From: Everist, Kai
Sent: Tuesday, 7 May 2024 1:50 PM
To: 'Zaheed, Mohita'; 'Mowbray, Nick'; [redacted]; 'Christina.Garbin@pmc.gov.au'; [redacted]; 'Jose, Cameron (Department of Finance - Protected)'; [redacted] finance.gov.au'; 'CARR, Henry'
Cc: Werner, Stephanie
Subject: FW: Bonza Aviation (Administrators Appointed) - Media Statement - 3 May 2024 [SEC=OFFICIAL]
s22(1)(a)(ii) - duplicate email chain



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OFFICIAL:Sensitive

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.

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OFFICIAL:Sensitive

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.

Q&A

- **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:

- 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 3 May will hear a recorded message, advising them to contact the airlines directly to make alternate bookings.

OFFICIAL:Sensitive

- **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?**

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, has stated thatg “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 **323** 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

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.

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.

OFFICIAL:Sensitive

From: CARR, Henry <Henry.Carr@dewr.gov.au>
Sent: Wednesday, 8 May 2024 10:13 AM
To: Everist, Kai
Subject: FW: Bonza meetings [SEC=OFFICIAL]
Attachments: Bonza-Press-Release-7-May-Hall-Chadwick.pdf; Important-Information-regarding-First-Meeting-of-Creditors-of-the-Company.pdf

FYI- you are welcome to share/ your call, I just don't want to bombard the working group

From: §22(1)(a)(ii)
Sent: Wednesday, May 8, 2024 8:27 AM
To: CARR, Henry ; §22(1)(a)(ii)
Cc: §22(1)(a)(ii)
Subject: Bonza meetings [SEC=OFFICIAL]

Good morning Henry and §22(1)(a)(ii)

Please see below links to meeting notices for Bonza. I will attend all 3 meetings for completeness, but Henry you may only need to attend the Bonza meeting at 11am. The meeting access link is not yet on the IP portal. I will send to through once it's on there.

[Ops in a Box Pty Ltd 656 464 498 | Voluntary Administration | Meeting | Select One | Published : 03/05/2024 | ASIC Notice Details](#) – 10AM AEST

[777 Oz Holdco Pty Ltd 653 307 496 | Voluntary Administration | Meeting | Select One | Published : 03/05/2024 | ASIC Notice Details](#) – 10:30AM AEST

[Bonza Aviation Pty Ltd 653 309 909 | Voluntary Administration | Meeting | Select One | Published : 07/05/2024 | ASIC Notice Details](#) – 11AM AEST

See **attached** also Important Information for the Meeting which was posted on the IP's creditor portal last night, including an Order made by the federal court which allows the VAs to modify the conduct of the first meeting. The order allows them to conduct a virtual meeting by way of a live stream format, were participants can observe the meeting, but cannot address the meeting.

In particular, see paragraph about questions, copy below:

Questions at First Meeting of Creditors

Because of the large number of persons who may participate in the First Meeting of Creditors, the Administrators may not be able to provide Creditors with an opportunity to ask questions at the First Meeting of Creditors.

If you wish to submit a question to the Administrators for them to consider and respond to at the First Meeting of Creditors, you need to do so by submitting questions in writing by **11:59pm on Wednesday, 8 May 2024**.

As we are attending as Observers only, we are not always permitted to ask questions at the meeting anyway but if we have a list of questions that we want addressed at the meeting, we can send it through to the VA **today**.

Please see **attached** also latest VA press release made yesterday.

Kind regards

s22(1)(a)(ii)

Senior Forensic Investigator

Active Creditor | Recovery and Litigation Branch

Entitlements Safeguards Division

Australian Government Department of Employment and Workplace Relations

T: (07) s22(1)(a)(ii) (ext. s22(1)(a)(ii) s22(1)(a)(ii) dewr.gov.au)

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From: s22(1)(a)(ii) <s22(1)(a)(ii)@dewr.gov.au>
Sent: Wednesday, 8 May 2024 3:36 PM
To: Everist, Kai; s22(1)(a)(ii); Christina.Garbin@pmc.gov.au; Jose, Cameron; s22(1)(a)(ii); s22(1)(a)(ii)
Cc: PURVIS-SMITH, Marisa; Werner, Stephanie; BUCKLEY, Brendon; s22(1)(a)(ii); CARR, Henry;
Subject: Bonza Aviation Pty Ltd (Administrators Appointed) - Further update [SEC=OFFICIAL]
Attachments: Bonza-Press-Release-7-May-Hall-Chadwick.pdf; Important-Information-regarding-First-Meeting-of-Creditors-of-the-Company.pdf; 2024.05.03 - VA Initial RTC.pdf

Good afternoon everyone,

Please see attached FYI:

- The Administrators' initial report to creditors dated 3 May 2024
- The Administrators' latest press release, dated 7 May 2024
- Important information regarding the first meeting of creditors, to be held on 10 May 2024. Attached to this correspondence is a copy of an Order made by the Federal Court on 7 May 2024, which allows the Administrators to modify the conduct of the first meeting. The Order allows the Administrators to hold the meeting virtually by way of a live stream format, where participants can observe the meeting, but cannot address the meeting. Meeting participants who wish to submit a question to the Administrators must submit their questions in writing by 11:59pm today and the Administrators will respond at the meeting.

Henry and I will attend the first meeting on behalf of the department, as observers.

Kind regards

s22(1)(a)(ii)

Senior Forensic Investigator

Active Creditor | Recovery and Litigation Branch

Entitlements Safeguards Division

Australian Government Department of Employment and Workplace Relations

T: (07) s22(1)(a)(ii) (ext. s22(1)(a)(ii) s22(1)(a)(ii) [dewr.gov.au](mailto:s22(1)(a)(ii)@dewr.gov.au))

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From: CARR, Henry <Henry.Carr@dewr.gov.au>
Sent: Wednesday, 8 May 2024 5:27 PM
To: Everist, Kai
Cc: [REDACTED]; [REDACTED]
Subject: FW: Urgent email [SEC=OFFICIAL:Sensitive, ACCESS=Legal-Privilege]
Attachments: RE: Bonza Aviation Pty Limited (Administrators Appointed)

OFFICIAL: Sensitive//Legal Privilege

Hello Kai

Corro with the VA today attached.

A matter for you if you would propose to share with the group.

Best regards
Henry

OFFICIAL: Sensitive//Legal Privilege

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From: CARR, Henry <Henry.Carr@dewr.gov.au>
Sent: Wednesday, 8 May 2024 5:21 PM
To: Kathleen Vouris; MCCORMACK, Helen; [REDACTED]
Cc: [REDACTED]; [REDACTED]
Subject: RE: Bonza Aviation Pty Limited (Administrators Appointed)

Hi Kathleen

Thank you for the below.

We understand that the administrators are proposing to make a payment to the Bonza employees for certain pre appointment entitlements.

Any payment that is appropriate and available to be paid to Bonza employees for their outstanding entitlements is of course most welcome.

FEG eligibility and recovery

In order for employees to be eligible for FEG assistance, their employment must have ended due to the insolvency of their employer (s 10 of the FEG Act), which is not understood to have occurred.

If and when a FEG claim is made an assessment is undertaken, on the facts of each particular FEG claim, and it may be that the proposed payment by the administrators factors into the quantum of a potential FEG advance.

In particular, a FEG advance to a claimant is liable to be reduced by any amount that has been paid by anyone in respect of a particular entitlement, for the person's benefit (section 19(2) of the FEG Act).

To be eligible for FEG, the person needs to be an Australian citizen, permanent resident, or special category visa holder (NZ citizen). The visa categories as provided by you, listed below, are all temporary visas and the holders would be ineligible for FEG:

Section 560

It isn't clear from your email what precisely is the source of funds for the proposed payment to Bonza employees - either the Bonza estate, Hall Chadwick, or other source. For the avoidance of doubt, please note that it is not possible at law, given the statutory construction of the FEG scheme, for a party who volunteers moneys for the payment of employee entitlements, to be subrogated into the shoes of the employees for the purposes of FEG eligibility/ repayment.

Whether the proposed advance for the payment of employee entitlements can result in the party making the advance benefiting from a subrogation into the shoes of the employees for the purposes of recovering that advance from the Bonza estate, pursuant to section 560 of the Corporations Act, is a matter for the Voluntary Administrators and your legal advisers.

Happy to discuss, if necessary, best regards

Henry

Henry Carr
 Branch Manager / Senior Executive Lawyer
 Recovery and Litigation Branch

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Entitlements Safeguards Division
Australian Government Department of Employment and Workplace Relations
Mobile ^{s22(1)(a)(iii)} [REDACTED]
dewr.gov.au

The Department of Employment and Workplace Relations acknowledges the traditional owners and custodians of country throughout Australia and their continuing connection to land, waters and community. We pay our respects to them and their cultures, and to Elders past and present. We also pay our respects to the emerging and growing Indigenous arts and culture movements.

From: Kathleen Vouris
Sent: Wednesday, May 8, 2024 3:17 PM
To: MCCORMACK,Helen ; CARR,Henry ; ^{s22(1)(a)(iii)} [REDACTED]
Cc: ^{s47F} [REDACTED] ; ^{s47F} [REDACTED]
Subject: Bonza Aviation Pty Limited (Administrators Appointed)

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

Helen/Henry,

My firm, Hall Chadwick are considering making a payment to those employees (200) who were due to receive their April 2024 pay on 5 May 2024. This is from Hall Chadwick and not from Company funds.

It will be a payment of \$60,000 against pre appointment wage entitlements split across this employees.

This would give rise to a priority under Section 560 of the Corporations Act 2001.

Please let me know if there are any issues from FEG in this regard.

We are looking to make this payment tomorrow and I want to announce this to the staff today at a 4.30pm meeting.

I will also be allowing staff to elect whether they wish to receive it or have their portion allocated to the others in the group. I.e the fund is the same the distribution may be different amongst the staff but shared equally amongst those that want it.

Separately, can you please advise whether the following VISA's would be eligible for the FEG scheme if a claim was made in the event the Company was placed into Liquidation.

1. Partner Visa subclass 820 (only 1 month away from applying for permanent residency)
2. 461 visa
3. Bridging Visa A which is attached

Regards

Kathleen Vouris

Partner

Level 40 | 2 Park Street | Sydney | NSW 2000 | Australia

T +61 2 9263 ^{s47F} | **Main** +61 2 9263 2600 | **F** +61 2 9263 2800

E ^{s47F} hallchadwick.com.au | **W** www.hallchadwick.com.au

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QB24-000013

ISSUE: AVIATION SECTOR ISSUES

s22(1)(a)(ii)

**Bonza entering administration**

- 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.
- On 2 May 2024, the administrator stood down 302 of Bonza's 323 employees, while it worked with creditors to consider the future of the company.
- 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. Questions about employee entitlements should be directed to DEWR.
- The Government is not considering providing any financial assistance to Bonza or the administrator.

s22(1)(a)(ii)

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b2(1)(a)(ii)



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s22(1)(a)(ii)



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s22(1)(a)(ii)



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Prepared by: Aviation White Paper Taskforce / [Domestic Policy and Programs](#)

Contact Name: s22(1)(a)(ii) + s22(1)(a)(ii)

Current as of: s22(1)(a)(ii) - +02 6136 s22(1)(a)(ii)

Current as of: [722 Mayreh](#) 2024

From: s22(1)(a)(ii) <s22(1)(a)(ii)@dewr.gov.au>
Sent: Friday, 10 May 2024 2:49 PM
To: WALLBANK,Angela; MCCORMACK,Helen; WEARNE,Jodie; CARR,Henry
Cc: s22(1)(a)(ii); s22(1)(a)(ii); s22(1)(a)(ii); s22(1)(a)(ii); Everist, Kai; s22(1)(a)(ii); Christina.Garbin@pmc.gov.au; Jose, Cameron; s22(1)(a)(ii); s22(1)(a)(ii); s22(1)(a)(ii); PURVIS-SMITH, Marisa; Werner, Stephanie; BUCKLEY, Brendon; s22(1)(a)(ii); s22(1)(a)(ii);
Subject: Bonza Aviation Pty Ltd (Administrators Appointed) [SEC=OFFICIAL]

Good afternoon everyone,

Henry and I attended the first meeting of creditors of Bonza Aviation today.

The purpose of the first meeting in a voluntary administration is for creditors to decide two questions:

- whether they want to form a committee of inspection (committee), and, if so, who will be on the committee
- whether they want the existing administrator to be removed and replaced by an administrator of their choice.

Some key points from the meeting are as follows:

- To date, no nominations have been received for the Administrators' replacement.
- The Administrators have received a number of nominations to the committee. They cited and supported our nomination to the committee as an observer. The nominees represent a good variety of creditor groups, including employees, DEWR (HC), unions, trade creditors, airports and the ATO.
- Pursuant to the Order made by the Federal Court to vary the meeting procedure, creditors are still able to nominate replacement Administrators and are able to nominate for the committee. Nominations will close at COB on Monday 13 May 2024. Following close of nominations, creditors will be asked to vote for the resolutions and the outcome will be published on Hall Chadwick's website.
- The Administrators are running an Expressions of Interest campaign and have been in discussions/negotiations with c.20 interested parties, including investors and other companies in travel industry – both Australian and international.
- One employee mentioned there is a non-compete clause in employee contracts. The Administrators noted they have not sought any legal advice regarding this clause. s47F, Mills Oakley for the Administrators noted as a matter of law, if the company is not in a position to honour its obligations under the employment contract, then employees won't be bound by them.
- All of the leased aircraft (except the plane called "Bruce" which left the country last night) are still in Australia but the Administrators advise they are likely to leave soon.
- It is unlikely they will resume flying on 15 May 2024.
- The Administrators do not wish to keep employees and other creditors in limbo for any longer than necessary. They are endeavouring to move quickly so that a decision can be made. They intend to work over the weekend to agree a deadline for interested parties to submit offers/DOCA proposals and will convey that deadline to all parties. They indicated the position and the fate of employees will likely be known within the next one to two weeks.
- Known creditors include:
 - 5 secured creditors
 - Employees - \$5,301,235 – Wages and Annual leave only
 - Lessors - \$4.626M
 - Landlords - \$10.4M owed to 22 parties
 - Loans \$76.8M – owed to 2 parties
 - Customers (57,933 claims) \$TBD
 - Trade creditors \$15.9M

If you have any questions, please contact me.

Kind regards

s22(1)(a)(ii)

Senior Forensic Investigator

Active Creditor | Recovery and Litigation Branch

Entitlements Safeguards Division

Australian Government Department of Employment and Workplace Relations

T: (07) s22(1)(a)(ii) (ext. s22(1)(a)(ii) s22(1)(a)(ii) dewr.gov.au)

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