s 22(1)(a)(ii)

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

**Sent:** Friday, 3 May 2024 1:07 PM

To: CARR, Henry; Zaheed, Mohita; \$ 22(1)(a)(ii) Jose, Cameron (Department of Finance -

Protected); Christina.Garbin@pmc.gov.au; Werner, Stephanie;

s 22(1)(a)(ii) @finance.gov.au; s 22(1)(a)(ii)

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' < Henry. Carr@dewr.gov.au>; 'Zaheed, Mohita' < Mohita. Zaheed@treasury.gov.au>; 'S 22(1)(a)(ii)

s 22(1)(a)(ii) @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>; s 22(1)(a)(ii) @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 <u>Thousands assisted to get home after</u>
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 >; 'S 22(1)(a)(ii)

s 22(1)(a)(ii) @TREASURY.GOV.AU>; 'Jose, Cameron (Department of Finance - Protected)'

<<u>Cameron.Jose@finance.gov.au</u>>; 'Christina.Garbin@pmc.gov.au' <<u>Christina.Garbin@pmc.gov.au</u>>; Werner, Stephanie

<Stephanie.Werner@infrastructure.gov.au>; s 22(1)(a)(ii) @finance.gov.au>

Subject: RE: Bonza TPs for ministers [SEC=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' < Henry. Carr@dewr.gov.au >; 'Zaheed, Mohita' < Mohita. Zaheed@treasury.gov.au >; 'S 22(1)(a)(ii)

s 22(1)(a)(ii) @TREASURY.GOV.AU>; 'Jose, Cameron (Department of Finance - Protected)'

<<u>Cameron.Jose@finance.gov.au</u>>; 'Christina.Garbin@pmc.gov.au' <<u>Christina.Garbin@pmc.gov.au</u>>; Werner, Stephanie

<<u>Stephanie.Werner@infrastructure.gov.au</u>>; s 22(1)(a)(ii) @finance.gov.au>

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

**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' < Henry. Carr@dewr.gov.au >; Zaheed, Mohita < Mohita. Zaheed@treasury.gov.au >; \$ 22(1)(a)(ii)

s 22(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>;

s 22(1)(a)(ii) @finance.gov.au

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

**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.

From: CARR, Henry < Henry. Carr@dewr.gov.au > Sent: Wednesday, 1 May 2024 12:08 PM

To: Everist, Kai < <a href="mailto:Kai.Everist@infrastructure.gov.au">Kai.Everist@infrastructure.gov.au</a>; Zaheed, Mohita < <a href="mailto:Mohita.Zaheed@treasury.gov.au">Mohita.Zaheed@treasury.gov.au</a>; S 22(1)(a)(ii) @TREASURY.GOV.AU</a>; Jose, Cameron (Department of Finance - Protected) < <a href="mailto:Cameron.Jose@finance.gov.au">Christina.Garbin@pmc.gov.au</a>; Werner, Stephanie < <a href="mailto:Stephanie.Werner@infrastructure.gov.au">Stephanie.Werner@infrastructure.gov.au</a>; S 22(1)(a)(ii) @finance.gov.au

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

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

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

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

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

**To:** Zaheed, Mohita < Mohita. Zaheed@treasury.gov.au >; s 22(1)(a)(ii) @TREASURY.GOV.AU >; Jose, Cameron (Department of Finance - Protected) < Cameron. Jose@finance.gov.au >; Christina. Garbin@pmc.gov.au; Werner,

Stephanie < <a href="mailto:Stephanie.Werner@infrastructure.gov.au">
<a href="mailto:stephanie.Werner@infrastructure.gov.au">stephanie < <a href="mailto:stephanie.Werner@infrastructure.gov.au">stephanie < <a href="mailto:stephanie.werner@infrastructure.gov.au">stephanie.werner@infrastructure.gov.au</a>; \$ 22(1)(a)(ii) @finance.gov.au; CARR,Henry</a>

<Henry.Carr@dewr.gov.au>

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

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#### **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

From: Everist, Kai

Sent: Tuesday, 30 April 2024 8:25 PM

To: 'Zaheed, Mohita' < Mohita.Zaheed@treasury.gov.au >; s 22(1)(a)(ii) @TREASURY.GOV.AU >; Jose, Cameron

(Department of Finance - Protected) < <a href="mailto:Cameron.Jose@finance.gov.au">(Christina.Garbin@pmc.gov.au</a>; Werner,

Stephanie <Stephanie.Werner@infrastructure.gov.au>; s 22(1)(a)(ii) @finance.gov.au

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

**OFFICIAL** 

Hi all

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

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

**Thanks** 

Kai

#### **OFFICIAL**

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

Sent: Monday, 22 April 2024 7:45 AM

**To:** Everist, Kai < <u>Kai.Everist@infrastructure.gov.au</u>>; s 22(1)(a)(ii) <u>@TREASURY.GOV.AU</u>>; Jose, Cameron (Department of Finance - Protected) < <u>Cameron.Jose@finance.gov.au</u>>; <u>Christina.Garbin@pmc.gov.au</u>; Werner,

Stephanie < Stephanie. Werner@infrastructure.gov.au >; s 22(1)(a)(ii) @finance.gov.au

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

### **OFFICIAL**

Thanks Kai

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

Mohita

### **Mohita Zaheed**

First Assistant Secretary – Labour Market, Environment, Industry and Infrastructure Division P +61 2 6263 2844 M s 47F

EA Contact: s 22(1)(a)(ii) P + s 22(1)(a)(ii) E s 22(1)(a)(ii) @treasury.gov.au

treasury.gov.au

Langton Crescent, Parkes ACT 2600

Twitter | LinkedIn | Facebook

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

#### **OFFICIAL**

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

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

**To:** Zaheed, Mohita < Mohita. Zaheed@treasury.gov.au >; s 22(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 >; s 22(1)(a)(ii) @finance.gov.au

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

**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 < Mohita. Zaheed@treasury.gov.au>

Sent: Sunday, 21 April 2024 11:41 AM

To: s 22(1)(a)(ii) TREASURY.GOV.AU>; Jose, Cameron (Department of Finance - Protected)

<Cameron.Jose@finance.gov.au>; Christina.Garbin@pmc.gov.au; Everist, Kai <Kai.Everist@infrastructure.gov.au>;

Werner, Stephanie <Stephanie.Werner@infrastructure.gov.au>; \$ 22(1)(a)(ii) @finance.gov.au

Subject: RE: Airline - cashflow [SEC=OFFICIAL]

### **OFFICIAL**

Send mobiles to this email chain

Mohita

#### **Mohita Zaheed**

First Assistant Secretary – Labour Market, Environment, Industry and Infrastructure Division P +61 2 6263 2844 M s 47F

EA Contact: s 22(1)(a)(ii) p s 22(1)(a)(ii) E s 22(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.

----Original Appointment----

From: Zaheed, Mohita

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

To: Zaheed, Mohita; 5 22(1)(a)(ii) Jose, Cameron (Department of Finance - Protected); Christina.Garbin@pmc.gov.au;

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

# Microsoft Teams Need help?

# Join the meeting now

Meeting ID:

s 22(1)(a)(ii)

Passcode: s 22(1)(a)

# Dial-in by phone

s 22(1)(a)(ii) # Australia, Sydney

Find a local number

Phone conference ID: s 22(1)(a)(ii)

# Join on a video conferencing device

Tenant key:

s 22(1)(a)(ii

Video ID:

s 22(1)(a)(ii)

More info

For organizers: Meeting options | Reset dial-in PIN



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\_\_\_\_\_

### **BONZA** voluntary administration

### **Statement**

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

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

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

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

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

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

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

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

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

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

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

Customers who have been affected can also:

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

# **Key facts and figures**

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

- The Government hotline has received over 3,000 calls from Bonza passengers.
  - o 1,449 calls on 30 April
  - o 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 \*

### 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
- 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.

<sup>\*</sup> 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.

### Did Bonza ask the Government for help?

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

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

# What will the Government do about stranded passengers?

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

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

Passengers may contact these airlines directly:

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

### Will consumers be compensated?

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

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

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

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

### How are consumers protected under the law?

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

### What will happen to Bonza employees?

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

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

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

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

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

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

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

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

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

### **Background**

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

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

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

#### s 22(1)(a)(ii)

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

Sent: Friday, 3 May 2024 9:48 AM

To: Everist, Kai; \$ 22(1)(a)(ii) Christina.Garbin@pmc.gov.au; Jose, Cameron; \$ 22(1)(a)(ii)

s 22(1)(a)(ii)

Cc: PURVIS-SMITH, Marisa; Werner, Stephanie; BUCKLEY, Brendon; s 22(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;

- 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 s 47F

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From: Garbin, Christina < Christina.Garbin@pmc.gov.au>

Sent: Thursday, 2 May 2024 4:53 PM

**To:** s 22(1)(a)(ii)

Cc: Luchetti, Narelle; Evans, Jo; s 22(1)(a)(ii)

Subject: RE: TPs for Ministers - Bonza Airlines [SEC=OFFICIAL]

**Attachments:** Bonza Talking Points 2 May 2024.docx

### **OFFICIAL**

Hi s 22(1)(a) — latest TPs for Bonza as at today (2/5). Updated sections have been highlighted for ease. Cheer's

CG

From: Garbin, Christina

Sent: Wednesday, 1 May 2024 5:11 PM

**To:** s 22(1)(a)(ii) @pm.gov.au>

Cc: Luchetti, Narelle <Narelle.Luchetti@pmc.gov.au>; Evans, Jo <Jo.Evans@pmc.gov.au>; \$ 22(1)(a)(ii)

s 22(1)(a)(ii) @pmc.gov.au>; s 22(1)(a)(ii) @pmc.gov.au>

Subject: RE: TPs for Ministers - Bonza Airlines [SEC=OFFICIAL]

### **OFFICIAL**

Hi s 22(1)(a)

An updated version of TPs and some facts and figures for Bonza today.

Cheers

CG

From: Garbin, Christina

Sent: Tuesday, 30 April 2024 8:42 PM

**To:** s 22(1)(a)(ii) @pm.gov.au>

Cc: Luchetti, Narelle <Narelle.Luchetti@pmc.gov.au>; Evans, Jo <Jo.Evans@pmc.gov.au>; \$ 22(1)(a)(ii)

Subject: TPs for Ministers - Bonza Airlines [SEC=OFFICIAL]

### **OFFICIAL**

Hi s 22(1)(a)

Please find attached a set of TPs and Q&As that was developed by DITRDCA and finalised by Minister C King's office. This has been provided by the department to be shared with central offices.

Please let me know if you need anything further.

Cheers

Christina

#### **Christina Garbin**

Assistant Secretary | Infrastructure, Energy and Regional Branch Industry, Infrastructure & Environment Division

Department of the Prime Minister and Cabinet

P: 02 6271 5509 | M:

s 47F

e. Chistina.Garbin@pmc.gov.au | w. www.pmc.gov.au

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

EA: s 22(1)(a)(ii)

s 22(1)(a)(ii) pmc.gov.au



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.

### **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.

# **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

### 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.

<sup>\*</sup> 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.

### 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.

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.

### **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.

s 22(1)(a)(ii)

\$ 22(1)(a)(ii)	
From: Sent: To: Cc: Subject: Attachments:	Everist, Kai <kai.everist@infrastructure.gov.au> Thursday, 2 May 2024 2:54 PM s 22(1)(a)(ii) Christina.Garbin@pmc.gov.au; Jose, Cameron; s 22(1)(a)(ii) henry.carr@dewr.gov.au; s 22(1)(a)(ii) PURVIS-SMITH, Marisa; Werner, Stephanie; BUCKLEY, Brendon; S 22(1)(a)(ii) FW: Important Press Release [SEC=OFFICIAL] Outlook-HC_logo.dat; Outlook-PrimeGloba.dat; Bonza Press Release 2 May 1 - Hall Chadwick.pdf</kai.everist@infrastructure.gov.au>
	OFFICIAL
Hi all  See attached media release from of Tuesday next week (7 May).	m the Bonza administrator, which will confirm that flights are cancelled up until the end
Thanks Kai	
	OFFICIAL
Sent: Thursday, 2 May 2024 2:4 To: PURVIS-SMITH, Marisa < Ma <kai.everist@infrastructure.gov< th=""><th>risa.PurvisSmith@infrastructure.gov.au&gt;; Everist, Kai v.au&gt; adwick.com.au&gt;; S 47F @hallchadwick.com.au&gt;</th></kai.everist@infrastructure.gov<>	risa.PurvisSmith@infrastructure.gov.au>; Everist, Kai v.au> adwick.com.au>; S 47F @hallchadwick.com.au>
Hi Marisa and Kai - please see a	attached about to be released.
Talk at 4pm.	
Regards	
s 47F	

s 47F

Partner

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s 22(1)(a)(ii)

From: s 22(1)(a)(ii) @dewr.gov.au>

Sent: Thursday, 2 May 2024 2:33 PM

**To:** CARR, Henry; Zaheed, Mohita; \$ 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; s 22(1)(a)(ii) Mullaly, Damian; s 22(1)(a)

s 22(1)(a)(ii) s 47E(d)

**Cc:** s 22(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.

- 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

s 22(1)(a)(ii)

### **Senior Forensic Investigator**

Active Creditor | Recovery and Litigation Branch Entitlements Safeguards Division

Australian Government Department of Employment and Workplace Relations

T: s 22(1)(a)(ii) s 22(1)(a)(ii) @dewr.gov.au

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

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

**To:** Zaheed, Mohita < Mohita. Zaheed@treasury.gov.au>; s 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 >; s 22(1)(a)(ii)

s 22(1)(a)(ii) @finance.gov.au>; Mullaly, Damian < Damian.Mullaly@TREASURY.GOV.AU>; s 22(1)(a)(ii)



s 22(1)(a)(ii) Cc: @pmc.gov.au>

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

Hi Mohita

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[?]-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

s 22(1)(a)(ii) @TREASURY.GOV.AU>; **To:** CARR, Henry < Henry. Carr@dewr.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 >; s 22(1)(a)(ii) @finance.gov.au>; Mullaly, Damian < Damian.Mullaly@TREASURY.GOV.AU>; s 22(1)(a)(ii) s 47E(d) s 22(1)(a)(ii) s 22(1)(a)(ii)

@treasury.gov.au>; finance.gov.au>; s 47E(d) @infrastructure.gov.au>; s 22(1)(a)(ii) @dewr.gov.au>

s 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 2844 M s 22(1)(a)(ii) s 22(1)(a)(ii) s 22(1)(a)(ii) **EA Contact:** @treasury.gov.au treasury.gov.au Langton Crescent, Parkes ACT 2600 Twitter | LinkedIn | Facebook The Treasury acknowledges the traditional owners of country throughout Australia, and their continuing connection to land, water and community. We pay our respects to them and their cultures and to elders both past and present. **OFFICIAL** From: CARR, Henry < Henry. Carr@dewr.gov.au > Sent: Thursday, May 2, 2024 1:42 PM s 22(1)(a)(ii) @TREASURY.GOV.AU>; **To:** Zaheed, Mohita < <u>Mohita.Zaheed@treasury.gov.au</u>>; 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>; @finance.gov.au>; Mullaly, Damian < Damian.Mullaly@TREASURY.GOV.AU>; s 22(1)(a)(ii) s 47E(d) s 22(1)(a)(ii) s 22(1)(a)(ii) @finance.gov.au>; @TREASURY.GOV.AU>; s 47E(d) @infrastructure.gov.au>; s 22(1)(a)(ii) @dewr.gov.au> s 22(1)(a)(ii) Cc: @pmc.gov.au> Subject: RE: Bonza - wrap up [SEC=OFFICIAL] Dear All FYI In email below Michelle reports on a conversation with the VA today that responds to the issues raised in our Day 1 letter. Best regards Henry s 47F s 22(1)(a)(ii) From: @dewr.gov.au> Sent: Thursday, May 2, 2024 12:59 PM To: CARR, Henry < Henry. Carr@dewr.gov.au > Subject: FW: Bonza Aviation (Administrators Appointed) [SEC=OFFICIAL] I just received a call from , one of J&S VAs. responded to each of our questions:

- 1. Appt was made by the Directors under s436A of the Act.
- 2. Repossession notices were issued on all aircraft operated by the Company prior to the VAs' appointment. There is no unencumbered aircraft. The VAs are trying to negotiate with the aircraft lessor and are meeting with external parties to try to obtain funding to allow continued operation of the business.
- 3. There are 323 employees. The VAs met with the employees on the night the appointment was taken (30<sup>th</sup>) and have called another meeting for tonight. They are trying to determine whether they can continue and if, so how many staff they can retain or if they need to stand staff down.
- 4. s 47F believes most employees are full-time.
- 5. The VAs are working through the employee entitlements calculations now and s 47F will have one of her team email the details to me. She stressed the total entitlements number is unverified at this stage. Noted there are wages outstanding.
- 6. Superannuation debt tbc
- 7. The lessor of the aircraft has an All PAAP but it is with exception.
- 8. Unlikely to receive a DOCA proposal from the current board but may be one from another party for the sale of the business/restructure of the Company.
- 9. There will be a FEG exposure is a DOCA proposal is not submitted or accepted.
- 10. The VAs were initially contemplating an application to extend the convening period but this will now depend on what they can do about the repossession notices issued prior to their appointment.

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

s 22(1)(a)(ii)

### **Senior Forensic Investigator**

Active Creditor | Recovery and Litigation Branch
Entitlements Safeguards Division
Australian Government Department of Employment and Workplace Relations

T: s 22(1)(a)(ii) s 22(1)(a)(ii) @dewr.gov.au

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s 22(1)(a)(ii)

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

Sent: Wednesday, 1 May 2024 6:06 PM

**To:** Zaheed, Mohita; Mullaly, Damian; s 22(1)(a)(ii) Christina.Garbin@pmc.gov.au; Jose,

Cameron (Department of Finance - Protected); \$ 22(1)(a)(ii) @finance.gov.au;

CARR, Henry

Cc: PURVIS-SMITH, Marisa; Werner, Stephanie; BURKE, Chris; BOWD, Reuben; BUCKLEY,

Brendon; s 22(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: S 47F @gmail.com>

Sent: Wednesday, 1 May 2024 6:01 PM

To: s 47F @gmail.com>

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

s 47F

**Partner** 

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

T s 47F | Main +61 2 9263 2600 | F +61 2 9263 2800

**E** s 47F @hallchadwick.com.au | **W** www.hallchadwick.com.au

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

# Kind regards,

s 47F

s 47F

M: S 47F

E: S 47F @gmail.com

\_\_\_\_\_

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\_\_\_\_\_





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

### 1 May 2024

### **Appointment Activity**

The Administrators appreciate that this is a difficult time for all involved and that all stakeholders are keen for further information and updates as the matter progresses.

To this end the Administrators have had meetings overnight and this morning with key industry participants located within Australia and overseas. These meetings are ongoing and will continue tonight and tomorrow.

There has also been open dialogue with the Lessor of the Company's fleet.

We have also today met with the Company's CFO to go through the financial position of the Company with a view to updating creditors of that position in due course.

### **Ongoing Trade of the Business**

It was previously advised that the Company's fleet was grounded and this would continue up to and including 2 May 2024. Please do not travel to the airport during this time.

The Administrators have also issued a notice to customers who were scheduled to travel between the above dates.

### Customers

As advised in our previous statement the Administrators have established a hotline for customers for any queries they may have, customers may call **03 8678 1600**. The Administrators have personnel available to discuss the Administration, continued operations and assist with queries and this is operational from **7am to 10pm**.

#### Refunds

Unfortunately, the Administrators and/or the Company are not in a position to process or issue refunds at this time.

We understand how frustrating this is and we appreciate customers patience at this time.

### Email contacts for each class of stakeholder

We will continue to provide these email addresses so all stakeholders can contact the Administrators office.

- bonzaemployees@hallchadwick.com.au
- bonzacreditors@hallchadwick.com.au
- bonzasuppliers@hallchadwick.com.au
- bonzalessors@hallchadwick.com.au
- bonzacustomers@hallchadwick.com.au

s 22(1)(a)(ii)

From: Jose, Cameron < Cameron.Jose@finance.gov.au>

Sent: Tuesday, 30 April 2024 9:00 PM

**To:** Zaheed, Mohita; Everist, Kai; s 22(1)(a)(ii) Christina.Garbin@pmc.gov.au; Werner,

Stephanie; s 22(1)(a)(ii)

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

**Attachments:** Bonza (004) (003) (002) (003).docx

### **OFFICIAL**

Hi Kai

Thanks for this, please see attached a suggested change to the bail out question for your consideration. Now its in administration, its up to the administrators to salvage the business if possible, or maximise the benefits for workers and creditors.

Regards,

Cameron.

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

Sent: Tuesday, April 30, 2024 8:29 PM

**To:** Everist, Kai <Kai.Everist@infrastructure.gov.au>; s 22(1)(a)(ii) @TREASURY.GOV.AU>; Jose, Cameron

<Cameron.Jose@finance.gov.au>; Christina.Garbin@pmc.gov.au; Werner, Stephanie

<Stephanie.Werner@infrastructure.gov.au>; s 22(1)(a)(ii) @finance.gov.au>

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

### **OFFICIAL**

Thanks Kai

Really appreciate the TPs. We will share with our office – noting the caveats around political statements

Mohita

#### **Mohita Zaheed**

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

P +61 2 6263 2844 M s 47F

EA Contact s 22(1)(a)(ii) p s 22(1)(a)(ii) E s 22(1)(a)(ii) <u>@treasury.gov.au</u>

treasury.gov.au

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#### **OFFICIAL**

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

Sent: Tuesday, April 30, 2024 8:25 PM

s 22(1)(a)(ii) **To:** Zaheed, Mohita < Mohita. Zaheed@treasury.gov.au >; @TREASURY.GOV.AU>; Jose, Cameron (Department of Finance - Protected) < Cameron. Jose@finance.gov.au >; Christina. Garbin@pmc.gov.au; Werner,

Stephanie < <a href="mailto:Stephanie.Werner@infrastructure.gov.au">Stephanie < <a href="mailto:Stephanie.Werner@infrastructure.gov.au">Stephanie < <a href="mailto:Stephanie.Werner@infrastructure.gov.au">Stephanie.Werner@infrastructure.gov.au</a>>; \$ 22(1)(a)(ii) @finance.gov.au

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

**OFFICIAL** 

Hi all

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

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

Thanks

Kai

#### **OFFICIAL**

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

Sent: Monday, 22 April 2024 7:45 AM

s 22(1)(a)(ii) **To:** Everist, Kai < Kai. Everist@infrastructure.gov.au >; @TREASURY.GOV.AU>; Jose, Cameron (Department of Finance - Protected) <Cameron.Jose@finance.gov.au>; Christina.Garbin@pmc.gov.au; Werner,

s 22(1)(a)(ii) Stephanie <Stephanie.Werner@infrastructure.gov.au>; @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 2844 M

**EA Contact** s 22(1)(a)(ii) P s 22(1)(a)(ii) s 22(1)(a)(ii) @treasury.gov.au

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**OFFICIAL** 

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

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

Stephanie < Stephanie. Werner@infrastructure.gov.au >; s 22(1)(a)(ii) @finance.gov.au

Subject: Bonza TPs for ministers [SEC=OFFICIAL]

**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 < Mohita. Zaheed@treasury.gov.au >

Sent: Sunday, 21 April 2024 11:41 AM

To: \$ 22(1)(a)(ii) @TREASURY.GOV.AU>; Jose, Cameron (Department of Finance - Protected)

<Cameron.Jose@finance.gov.au>; Christina.Garbin@pmc.gov.au; Everist, Kai <Kai.Everist@infrastructure.gov.au>;

Werner, Stephanie < Stephanie. Werner@infrastructure.gov.au >; s 22(1)(a)(ii) @finance.gov.au

Subject: RE: Airline - cashflow [SEC=OFFICIAL]

### **OFFICIAL**

Send mobiles to this email chain

Mohita

### **Mohita Zaheed**

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

P +61 2 6263 2844 M s 47F

EA Contact s 22(1)(a)(ii) p s 22(1)(a)(ii) E s 22(1)(a)(ii) <u>@treasury.gov.au</u>

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**OFFICIAL** 

----Original Appointment----

From: Zaheed, Mohita

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

To: Zaheed, Mohita; \$\frac{s 22(1)(a)(ii)}{2}} Jose, Cameron (Department of Finance - Protected); Christina.Garbin@pmc.gov.au;

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** 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.

s 22(1)(a)(ii)

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

Sent: Tuesday, 30 April 2024 7:09 PM

**To:** s 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; s 22(1)(a)(ii) Mullaly, Damian; s 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: s 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>; Zaheed, Mohita < Mohita. Zaheed@treasury.gov.au>; s 22(1)(a)(ii)

s <sup>22(1)(a)(ii)</sup> @finance.gov.au>; Mullaly, Damian < Damian.Mullaly@TREASURY.GOV.AU>; s <sup>22(1)(a)(ii)</sup>

s 22(1)(a)(ii) @treasury.gov.au> **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 \$ 47F
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 community. We pay our respects to them and their cultures, and Elders past, present and emerging.

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?
- 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

s 22(1)(a)(ii)

Senior Forensic Investigator

Active Creditor | Recovery and Litigation Branch

**Entitlements Safeguards Division** 

Australian Government Department of Employment and Workplace Relations

T: s 22(1)(a)(ii) s 22(1)(a)(ii) @dewr.gov.au

----Original Appointment----

From: s 22(1)(a)(ii) @TREASURY.GOV.AU>

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

To: \$ 22(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; \$ 22(1)(a)

Mullaly, Damian; \$ 22(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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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, 6-2211/Ka
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30 April 2024

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

By email: Ralbarran@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 s 22(1)(a)(ii) of this office on s 22(1)(a)(ii) or s 22(1)(a)(ii) @dewr.gov.au.

Yours faithfully

s 22(1)(a)(ii)

Henry Carr Branch Manager / Senior Executive Lawyer

#### s 22(1)(a)(ii)

**From:** Garbin, Christina < Christina.Garbin@pmc.gov.au>

Sent: Monday, 22 April 2024 8:08 AM

**To:** s 22(1)(a)(ii)

Cc: Williams, Nadine; Luchetti, Narelle; s 22(1)(a)(ii)

**Attachments:** Bonza Talking Points for Ministers.docx

# **OFFICIAL: Sensitive**

Draft Bonza TPs for ministers [SEC=OFFICIAL:Sensitive]

Hi s 22(1)(a)

**Subject:** 

Please find attached some draft Talking Points provided by DITRDCA, noting that these are only precautionary at this stage.

We will keep you updated today on how the situation progresses.

regards Christina

# Christina Garbin

Assistant Secretary | Infrastructure, Energy and Regional Branch Industry, Infrastructure & Environment Division Department of the Prime Minister and Cabinet

P: 02 6271 5509 | M: s

e. Chistina.Garbin@pmc.gov.au | w. www.pmc.gov.au

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

EA: s 22(1)(a)(ii) s 22(1)(a)(ii) s 22(1)(a)(ii) pmc.gov.au



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.

# **Bonza situation 22 April**

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

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

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

If asked: would you consider providing assistance if asked?

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

### Bonza voluntary administration

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

### **Talking points**

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

### IF ASKED: Will Bonza stop flying?

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

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

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

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

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

### IF ASKED: What does this mean for Bonza employees?

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

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

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

### **Background**

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

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