



Ad Hoc Cabinet Committee on COVID-19 Response

Minute of Decision

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COVID-19: Aviation Relief Package

Portfolios **Finance / Transport**

On 18 March 2020, the Ad Hoc Cabinet Committee on COVID-19 Response, acting in accordance with its Power to Act:

- 1 **noted** that border restrictions in New Zealand and around the world have resulted in airlines reducing or cancelling services altogether;
- 2 **noted** that providing financial support to airlines to pay passenger-based government charges would assist some airlines to maintain services that provide vital international connections to New Zealand, and would send important signals to airlines resuming services during the recovery;
- 3 **agreed** to an aviation industry relief package comprising:
 - 3.1 the suspension of funding reviews across all aviation and border agencies for the next 12 months;
 - 3.2 government provision of financial support to airlines to pay passenger-based government charges for the next 6 months (with an estimated value of \$163 million GST exclusive);
 - 3.3 government provision of financial support to airlines to pay Airways fees for the next 6 months (with an estimated value of \$37 million);
 - 3.4 [REDACTED]
 - 3.5 ensuring that the government works with the sector and the Civil Aviation Authority to ensure there is no regulatory impediments to new/re-starting airlines;
- 4 **directed** officials to further develop details for implementing the package, referred to in paragraph 3 above, and associated legal matters;
- 5 **authorised** the Minister of Finance and the Minister of Transport to jointly agree further detail relating to the industry relief package referred to in paragraph 3 above, including any necessary changes to appropriations;
- 6 **agreed** to provide Airways with financial support of up to \$70 million [REDACTED]

Withheld
under section
9(2)(f)(iv) of
the OIA

Withheld under sections 9(2)(b)(ii)
and 9(2)(g)(i) of the OIA

- 7 **authorised** Airways' shareholding Ministers (Minister of Finance and Associate Minister for State Owned Enterprises) and the Associate Minister of Finance (Hon Dr David Clark, acting as the Minister of Finance in respect of appropriations in Vote Finance for which the Minister of Finance is the appropriation Minister) to jointly agree funding of up to \$107 million to Airways, including the necessary charges to appropriations;
- 8 **noted** that the Ministry of Transport and the Treasury will provide Ministers with further advice on the impacts of the border restriction on critical freight flows as well as possible interventions the government could take to support certain freight flows.

Janine Harvey
Committee Secretary

Present:

Rt Hon Jacinda Ardern (Chair)
Rt Hon Winston Peters
Hon Kelvin Davis
Hon Grant Robertson
Hon Phil Twyford
Hon Chris Hipkins
Hon Carmel Sepuloni
Hon Dr David Clark
Hon David Parker
Hon Stuart Nash
Hon Iain Lees-Galloway
Hon Jenny Salesa
Hon Damien O'Connor
Hon Shane Jones
Hon James Shaw
Hon Julie Anne Genter

Hard-copy distribution:

Minister of Finance
Minister of Transport
Associate Minister of Finance (Hon David Parker)
Associate Minister for State Owned Enterprises

Officials present from:

Office of the Prime Minister
Department of the Prime Minister and Cabinet
Prime Minister's Chief Science Advisor
Ministry of Foreign Affairs and Trade
State Services Commission
Ministry of Health
Ministry of Business, Innovation and Employment
Ministry of Education
Ministry for Primary Industries
Ministry of Social Development
Ministry of Transport
New Zealand Customs Service
New Zealand Defence Force
New Zealand Police