

16 November 2021

Request for Official Information responded to under the Local Government and Official Information and Meetings Act 1987 (LGOIMA) (the Act) – reference: OIR 2122-116

I refer to your information request we received on 18 October 2021 where you criticised the decision by Council to provide financial support for Air Chathams by way of a loan facility.

By way of background Mr Simpson has been clear that his employer – Templeton Group – wish to close the airport and redevelop the land for another use.

Kāpiti Coast Airport is significant to our community and our district's economy. The ability for people to fly to and from Kāpiti strengthens business, family and visitor connections and supports a strong visitor economy. An economic evaluation undertaken in June 2018 by TBD Advisory Limited estimates the net economic benefit of the Airport to Kāpiti residents to be around \$4.3 million per year, with savings in travel time and costs identified as the biggest contributors to this figure. The full report can be found on our website [Kāpiti Coast Airport - Kāpiti Coast District Council \(kapiticoast.govt.nz\)](https://www.kapiticoast.govt.nz).

Since Air New Zealand's decision to withdraw air services from Kāpiti in March 2018, we have been very open about Council's support for Air Chathams. Our community fought hard to get Air Chathams to operate here, and we are equally committed to doing what we can to support them to stay for the benefit of everyone in our district.

Dealing with the impacts of COVID-19 has been extremely challenging for the airline sector. Following the first national lockdown in 2020, the government stepped in to provide Air New Zealand with support, including loans. At that time, similar support was not forthcoming for regional airlines which is why the three district councils that have Air Chathams operating in their regions stepped in to help the airline to restore their flight operations. A joint support package was agreed which saw our Council make a \$500,000 loan facility available to Air Chathams over a five-year term, using the strength of our balance sheet to borrow at a low rate, at minimal cost to ratepayers.

The decision to make this loan facility available to Air Chatham was agreed by Council at a confidential Council meeting in May 2020 as part of Council's ongoing commitment to doing what we can to support the airline to operate sustainably in our district. We did not disclose the loan amount at the time as discussions were commercial in confidence.

Yours sincerely

A handwritten signature in blue ink, appearing to be 'Natasha Tod', written in a cursive style.

Natasha Tod
Group Manager, Strategy, Growth and Recovery