

OIR: 2425/1022

8 August 2024

[REDACTED]  
[REDACTED]

Tēnā koe [REDACTED],

**Request for Information under the Local Government Official Information and Meetings Act 1987 (the Act) (the LGOIMA)**

Thank you for your email of **12 July 2024** requesting the following information:

- 1. Please advise and forward all KCDC/Air Chathams correspondence text messages/meeting minutes etc over the past 12 months that KCDC & Air Chathams have entered into, regarding [KCDC \$500,000 Loan to Air Chathams].***

Every year to meet auditing requirements the Council is required to perform an impairment test on the loan to ensure its fair value is reflected in the financial statements.

To support this assessment, the Council requested a copy of Air Chathams accounts for the June 2023 financial year. These accounts are commercially sensitive and therefore cannot be provided. On that basis I must withhold this information under section 7(2)(b)(ii) of the Act which allows for Council to withhold information in order to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information. In Council's view the reasons for withholding these details are not outweighed by public interest considerations in section 7(1) favouring their release.

Please find attached the correspondence between Council and Air Chathams regarding the loan over the last 12 months. In addition to the accounts which are withheld on the basis of commercial sensitivity, the personal details of other parties have been withheld from this information. The decision to withhold this information is made under section 7(2)(a) of the Act which allows for Council to withhold information in order to protect the privacy of natural persons, including that of deceased natural persons. In Council's view the reasons for withholding

*Please note that any information provided in response to your request may be published on the Council website, with your personal details removed.*

these details are not outweighed by public interest considerations in section 7(1) favouring their release.

In the course of email correspondence, more than one topic can be discussed. In some of the correspondence attached, other topics have been marked as being out of scope as they relate to matters other than the loan and therefore fall outside the scope of your question.

**2. *Please advise date of when full payment of the Loan is due?***

The signed Facility Agreement states that the borrower is required to repay the drawing in cleared funds by no later than 2:00pm on the expiry date, which is defined as five years from the execution of the Facility Agreement, being 11 September 2020.

**3. *Have KCDC initiated any verbal or written enquired with Air Chathams as to their intention of re-paying the Loan in full on the due date, then please advise why not?***

KCDC has not initiated any enquiries with Air Chathams regarding repayment of the loan, as it is not yet due.

**4. *Please confirm if KCDC will employ all available avenues to ensure this Loan is paid and how they intend to perform this task?***

The loan is administered under the Facility Agreement between Air Chathams Limited (Borrower) and the Council (Lender). That agreement sets out repayment terms.

**5. *Should Air Chathams not be in a position to pay this debt, what endeavours will KCDC take to gain full payment?***

The Facility Agreement sets out repayment requirements. Should Air Chathams not be in a position to repay, the Council's intention would be to enforce all terms and obligations under the agreement.

You have the right to request the Ombudsman to review this decision. Complaints can be sent by email to [info@ombudsman.parliament.nz](mailto:info@ombudsman.parliament.nz), or by post to The Ombudsman, PO Box 10152, Wellington 6143.

Ngā mihi,



**Mark de Haast**  
Group Manager Corporate Services  
Te Kaihautū Ratonga Tōpū

**From:** Duane Emeny <duane.emeny@airchathams.co.nz>  
**Sent time:** 06/05/2024 03:39:22 PM  
**To:** Steph O'Sullivan <Steph.O'Sullivan@WHAKATANE.GOV.T.NZ>; Paul Eagle <paul.eagle@chathamislands.govt.nz>; Darryn Grant <Darryn.Grant@kapiticoast.govt.nz>; David.Langford@whanganui.govt.nz  
**Cc:** Craig Emeny <Craig.Emeny@airchathams.co.nz>  
**Subject:** Actions from Joint Council CEO Hui with Air Chathams  
**Attachments:** image522737.png image859918.png image313251.png image150889.png Council CEOs Meeting Minutes - 4th june 2024.docx

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Kia Ora Koutou,

Many thanks for your time yesterday. Craig and I both thought it was a productive meeting. We have attached the minutes taken by Alexandra to this email.

#### Out of Scope

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- Three North Island District Councils have discussed Air Chathams Covid Loans and will meet to discuss approach to those loans knowing that the initial 5-year interest free period is due late 2025 and Air Chathams would like to see a clear path well ahead of that date.

Think that covers the main points.

Kind regards,

Duane Emeny | **Chief Operating Officer**

**Mobile:** Section 7(2)(a)

**Email:** duane.emeny@airchathams.co.nz

**Web:** [www.airchathams.co.nz](http://www.airchathams.co.nz)

**Freephone:** 0800 FLY NOW



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**Opened 1.05pm**

**Present:** Craig Emeny (CE), Duane Emeny (DE), Paul Eagle (PE), Darren Edwards (DN), David Langford (DL), Steph O’Sullivan (SO 1.10pm)

## Out of Scope

Out of Scope

Government	Percentage
Current government	85%
Previous government	15%

# Out of Scope

DE – Covid loans – mindful that comes up. Heads around that solution. Joined up approach yet?

## Out of Scope

**From:** Mark Roberts <mark.roberts@airchathams.co.nz>  
**Sent time:** 08/18/2023 05:42:59 PM  
**To:** Michael Parrish [REDACTED]  
**Cc:** Jing.Zhou@kapiticoast.govt.nz; Duane Emeny <duane.emeny@airchathams.co.nz>  
**Subject:** FW: June Accounts - KCDC Annual Report disclosures re: loan to Air Chathams  
**Attachments:** image001.png image002.png image003.png image088700.jpg image417253.png image959046.png image055306.png image286263.png 2023 Financial Management Statements - Air Chathams Limited.pdf

---

Hi Michael

Attached.

Kind regards

**Mark Roberts**

**Financial & Operational Support**

Air Chathams

Section 7(a)



---

**From:** Duane Emeny <duane.emeny@airchathams.co.nz>  
**Sent:** Friday, August 18, 2023 5:34 PM  
**To:** Mark Roberts <Mark.Roberts@airchathams.co.nz>  
**Subject:** Fwd: June Accounts - KCDC Annual Report disclosures re: loan to Air Chathams

Please provide what they need thanks

**Duane Emeny | Chief Operating Officer**

**Mobile:** Section 7(2)(a)

**Email:** [duane.emeny@airchathams.co.nz](mailto:duane.emeny@airchathams.co.nz)

**Web:** [www.airchathams.co.nz](http://www.airchathams.co.nz)

**Freephone:** 0800 FLY NOW



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---

**From:** Michael Parrish [REDACTED]  
**Sent:** Friday, August 18, 2023 3:30:17 PM  
**To:** Duane Emeny <[duane.emeny@airchathams.co.nz](mailto:duane.emeny@airchathams.co.nz)>  
**Cc:** Jing Zhou <[Jing.Zhou@kapiticoast.govt.nz](mailto:Jing.Zhou@kapiticoast.govt.nz)>  
**Subject:** RE: June Accounts - KCDC Annual Report disclosures re: loan to Air Chathams

Good afternoon Duane.

I am just following up on my previous email below. Are the Air Chathams 2022-23 financial statements provisionally available so I can undertake impairment testing on the Kapiti Coast loan.

If you could let me know either way it would be greatly appreciated, as we have our Auditors querying the valuation of the loan.

Kind regards,  
Michael

**Michael Parrish**

Manager Financial Accounting  
Te Kaiwhakahaere, Kaute Ahumoni

Kāpiti Coast District Council

Tel [REDACTED]



Mobile [REDACTED]

[www.kapiticoast.govt.nz](http://www.kapiticoast.govt.nz)

---

**From:** Michael Parrish  
**Sent:** Friday, July 28, 2023 10:33 AM  
**To:** [duane.emeny@airchathams.co.nz](mailto:duane.emeny@airchathams.co.nz)  
**Cc:** Jing Zhou <[Jing.Zhou@kapiticoast.govt.nz](mailto:Jing.Zhou@kapiticoast.govt.nz)>  
**Subject:** June Accounts - KCDC Annual Report disclosures re: loan to Air Chathams

Good morning Duane,

My name is Michael Parrish, and I am the Manager Financial Accounting for the Kapiti Coast District Council. I believe you have previously been in contact with Ian Georgeson, but unfortunately Ian has left the Council for greener pastures. As part of the year end processes, the Councils Auditors require that we impairment test any of the financial instruments that are disclosed in our financial statements. This therefore includes the loan the Council made to Air Chathams back in 2020-21.

I am aware that you are in the midst of your own financial year end, but can I please ask for a copy of the Air Chathams 2022-23 financial statements once they have been prepared. I will then use these as the basis of the impairment testing applicable to the loan valuation in the Councils accounts. If there was any additional public information that would support the valuation of Air Chathams, could that be supplied also.

If you need any additional information regarding this request, please feel free to contact me at the below.

Kind regards,  
Michael

**Michael Parrish**  
Manager Financial Accounting  
Te Kaiwhakahaere, Kaute Ahumoni

Tel [REDACTED]

Mobile [REDACTED]



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**Mānawatia  
a Matariki**

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# Section 7(b)(ii)

# Section 7(b)(ii)

# Section 7(b)(ii)

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# Section 7(b)(ii)

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# Section 7(b)(ii)

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# Section 7(b)(ii)

# Section 7(b)(ii)

# Section 7(b)(ii)

# Section 7(b)(ii)

# Section 7(b)(ii)

# Section 7(b)(ii)



# Section 7(b)(ii)

Section 7(b)(ii)

**From:** Steph O'Sullivan <Steph.O'Sullivan@WHAKATANE.GOV.T.NZ>  
**Sent time:** 06/05/2024 03:41:46 PM  
**To:** Duane Emeny <duane.emeny@airchathams.co.nz>; Paul Eagle <paul.eagle@chathamislands.govt.nz>; Darryn Grant <Darryn.Grant@kapiticoast.govt.nz>; David.Langford@whanganui.govt.nz  
**Cc:** Craig Emeny <Craig.Emeny@airchathams.co.nz>  
**Subject:** Re: Actions from Joint Council CEO Hui with Air Chathams  
**Attachments:** image522737.png image859918.png image313251.png image150889.png

Out of Scope

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---

**From:** Duane Emeny <duane.emeny@airchathams.co.nz>  
**Sent:** Wednesday, June 5, 2024 3:39:22 PM  
**To:** Steph O'Sullivan <Steph.O'Sullivan@whakatane.govt.nz>; Paul Eagle <paul.eagle@chathamislands.govt.nz>; Darryn Grant <Darryn.Grant@kapiticoast.govt.nz>; david.langford@whanganui.govt.nz <David.Langford@whanganui.govt.nz>  
**Cc:** Craig Emeny <Craig.Emeny@airchathams.co.nz>  
**Subject:** Actions from Joint Council CEO Hui with Air Chathams

Kia Ora Koutou,

Out of Scope

- [Redacted]
- [Redacted]
- [Redacted]
- [Redacted]
- Three North Island District Councils have discussed Air Chathams Covid Loans and will meet to discuss approach to those loans knowing that the initial 5-year interest free period is due late 2025 and Air Chathams would like to see a clear path well ahead of that date.

Out of Scope

Kind regards,

Duane Emeny | **Chief Operating Officer**

**Mobile:** Section 7(2)(a)

**Email:** duane.emeny@airchathams.co.nz

**Web:** [www.airchathams.co.nz](http://www.airchathams.co.nz)

**Freephone:** 0800 FLY NOW



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**From:** Duane Emeny <duane.emeny@airchathams.co.nz>  
**Sent time:** 06/19/2024 12:55:21 PM  
**To:** Mayor Janet Holborow <janet.holborow@kapiticoast.govt.nz>; Julie Judge <Julie.Judge@kapiticoast.govt.nz>  
**Cc:** Craig Emeny <Craig.Emeny@airchathams.co.nz>  
**Subject:** Out of Scope  
**Attachments:** image001.png image002.png image003.png image004.png image005.png image383911.png

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Morning Janet,

# Out of Scope

We are told that Whakatane Council are leading the work to address the issue that remains related to Covid loans made by all three councils to Air Chathams. Again, we have no visibility on those discussions other than they are underway. Perhaps you can ask the question of Darren on that matter too?

# Out of Scope

Kind regards,

**Duane Emeny**  
**Chief Operating Officer**  
Air Chathams  
Section 7(2)(a)



# Out of Scope

# Out of Scope

# Out of Scope



**HAERE MAI  
WHANGANUI  
TO YOUR  
NEW PLANE!**

Air Chatham's  
ATR-72 service,  
direct from Auckland  
to Whanganui.

A horizontal banner advertisement. On the left, a red background features the text 'HAERE MAI WHANGANUI TO YOUR NEW PLANE!' in bold, white, sans-serif capital letters. Below the text is a small white airplane icon. To the right of the red section is a photograph of a smiling woman with blonde hair, wearing a green scarf. Further right, white text on a dark background reads 'Air Chatham's ATR-72 service, direct from Auckland to Whanganui.' In the top right corner of the banner is a small teal shield-shaped logo containing a white map of New Zealand.

**From:** Michael Parrish [redacted]  
**Sent time:** 08/21/2023 04:51:31 PM  
**To:** Mark Roberts <mark.roberts@airchathams.co.nz>  
**Cc:** Jing Zhou <Jing.Zhou@kapiticoast.govt.nz>  
**Subject:** RE: June Accounts - KCDC Annual Report disclosures re: loan to Air Chathams  
**Attachments:** image004.png image005.jpg image006.png image007.png image008.png image009.png image010.png image011.png

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Thanks Mark.

Much appreciated,  
Michael

**Michael Parrish**  
Manager Financial Accounting  
Te Kaiwhakahaere, Kaute Ahumoni

Kāpiti Coast District Council  
Tel [redacted]  
Mobile [redacted]

[www.kapiticoast.govt.nz](http://www.kapiticoast.govt.nz)

---

**From:** Mark Roberts <Mark.Roberts@airchathams.co.nz>  
**Sent:** Friday, August 18, 2023 5:43 PM  
**To:** Michael Parrish [redacted]  
**Cc:** Jing.Zhou@kapiticoast.govt.nz; Duane Emeny <duane.emeny@airchathams.co.nz>  
**Subject:** FW: June Accounts - KCDC Annual Report disclosures re: loan to Air Chathams

Hi Michael

Attached.

Kind regards

**Mark Roberts**  
Financial & Operational Support  
Air Chathams  
Section 7(a)



---

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**Sent:** Friday, August 18, 2023 5:34 PM  
**To:** Mark Roberts <[Mark.Roberts@airchathams.co.nz](mailto:Mark.Roberts@airchathams.co.nz)>  
**Subject:** Fwd: June Accounts - KCDC Annual Report disclosures re: loan to Air Chathams

Please provide what they need thanks

Duane Emeny | Chief Operating Officer

**Mobile:** Section 7(2)(a) **Email:** [duane.emeny@airchathams.co.nz](mailto:duane.emeny@airchathams.co.nz)  
**Web:** [www.airchathams.co.nz](http://www.airchathams.co.nz) **Freephone:** 0800 FLY NOW



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---

**From:** Michael Parrish [redacted]  
**Sent:** Friday, August 18, 2023 3:30:17 PM  
**To:** Duane Emeny <[duane.emeny@airchathams.co.nz](mailto:duane.emeny@airchathams.co.nz)>



**Cc:** Jing Zhou <[Jing.Zhou@kapiticoast.govt.nz](mailto:Jing.Zhou@kapiticoast.govt.nz)>

**Subject:** RE: June Accounts - KCDC Annual Report disclosures re: loan to Air Chathams

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Kind regards,  
Michael

**Michael Parrish**  
Manager Financial Accounting  
Te Kaiwhakahaere, Kaute Ahumoni

Kāpiti Coast District Council

Tel [REDACTED]

Mobile [REDACTED]

[www.kapiticoast.govt.nz](http://www.kapiticoast.govt.nz)

---

**From:** Michael Parrish

**Sent:** Friday, July 28, 2023 10:33 AM

**To:** [duane.emeny@airchathams.co.nz](mailto:duane.emeny@airchathams.co.nz)

**Cc:** Jing Zhou <[Jing.Zhou@kapiticoast.govt.nz](mailto:Jing.Zhou@kapiticoast.govt.nz)>

**Subject:** June Accounts - KCDC Annual Report disclosures re: loan to Air Chathams

Good morning Duane,

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I am aware that you are in the midst of your own financial year end, but can I please ask for a copy of the Air Chathams 2022-23 financial statements once they have been prepared. I will then use these as the basis of the impairment testing applicable to the loan valuation in the Councils accounts. If there was any additional public information that would support the valuation of Air Chathams, could that be supplied also.

If you need any additional information regarding this request, please feel free to contact me at the below.

Kind regards,  
Michael

**Michael Parrish**  
Manager Financial Accounting  
Te Kaiwhakahaere, Kaute Ahumoni

Tel [REDACTED]

Mobile [REDACTED]



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a Matariki

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**From:** Duane Emeny <duane.emeny@airchathams.co.nz>  
**Sent time:** 07/15/2024 02:03:26 PM  
**To:** Michael Parrish [REDACTED] Mark Roberts <mark.roberts@airchathams.co.nz>  
**Cc:** Ian Georgeson <Ian.Georgeson@kapiticoast.govt.nz>; Brian Gauld <brian@gauldconsultants.co.nz>  
**Subject:** RE: June Accounts - KCDC Annual Report disclosures re: loan to Air Chathams  
**Attachments:** image001.png image002.png image924521.png image436427.png image033664.png image011439.png

Thanks Michael.

@Mark Roberts please ensure we get a copy of accounts across to KCDC once finalised.

Kind regards,

Duane Emeny | Chief Operating Officer

**Mobile:** Section 7(2)(a) **Email:** duane.emeny@airchathams.co.nz  
**Web:** www.airchathams.co.nz **Freephone:** 0800 FLY NOW



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**From:** Michael Parrish [REDACTED]  
**Sent:** Monday, July 15, 2024 1:59 PM  
**To:** Duane Emeny <duane.emeny@airchathams.co.nz>  
**Cc:** Ian Georgeson <Ian.Georgeson@kapiticoast.govt.nz>  
**Subject:** June Accounts - KCDC Annual Report disclosures re: loan to Air Chathams

You don't often get email from [michael.parrish@kapiticoast.govt.nz](mailto:michael.parrish@kapiticoast.govt.nz). [Learn why this is important](#)

Good afternoon Duane,

As part of the year end processes, the Councils Auditors require that we impairment test any of the financial instruments that are disclosed in our financial statements. This therefore includes the loan the Council made to Air Chathams back in 2020-21.

I am aware that you are in the midst of your own financial year end, but can I please ask for a copy of the Air Chathams 2023-24 financial statements once they have been prepared. I will then use these as the basis of the impairment testing applicable to the loan valuation in the Councils accounts. If there was any additional public information that would support the valuation of Air Chathams, could that be supplied also.

If you need any additional information regarding this request, please feel free to contact me at the below.

Kind regards,  
Michael

**Michael Parrish (he/him)**  
Manager Financial Accounting  
Te Kaiwhakahaere, Kaute Ahumoni  
Tel [REDACTED]  
Mobile [REDACTED]



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**From:** Duane Emeny <duane.emeny@airchathams.co.nz>  
**Sent time:** 07/07/2023 06:20:06 PM  
**To:** Councillor Sophie Handford <Sophie.Handford@kapiticoast.govt.nz>  
**Subject:** RE: Re. Thanks & presenting to Council  
**Attachments:** image005.png image006.jpg image007.png image008.png image009.png image921450.png

---

Out of scope

[Redacted]

[Redacted]

[Redacted]

[Redacted]

Regards,

**Duane Emeny**  
**Chief Operating Officer**  
Air Chathams



Section 7(2)(a)

---

**From:** Councillor Sophie Handford <Sophie.Handford@kapiticoast.govt.nz>  
**Sent:** Wednesday, July 5, 2023 6:19 PM  
**To:** Duane Emeny <duane.emeny@airchathams.co.nz>  
**Subject:** Re: Re. Thanks & presenting to Council

Kia ora Duane,

Out of scope

[Redacted]

[Redacted]

Ngā mihi,

Sophie

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---

**From:** Duane Emeny <[duane.emeny@airchathams.co.nz](mailto:duane.emeny@airchathams.co.nz)>  
**Sent:** Wednesday, May 3, 2023 12:11 PM  
**To:** Councillor Sophie Handford <[Sophie.Handford@kapiticoast.govt.nz](mailto:Sophie.Handford@kapiticoast.govt.nz)>  
**Subject:** RE: Re. Thanks & presenting to Council

Out of scope  
Section 7(2)(a)

[Redacted]

[Redacted]

Kind regards,

**Duane Emeny**  
**Chief Operating Officer**  
Air Chathams



Section 7(2)(a)

---

**From:** Councillor Sophie Handford <[Sophie.Handford@kapiticoast.govt.nz](mailto:Sophie.Handford@kapiticoast.govt.nz)>  
**Sent:** Wednesday, May 3, 2023 12:01 PM  
**To:** Duane Emeny <[duane.emeny@airchathams.co.nz](mailto:duane.emeny@airchathams.co.nz)>

**Subject:** Re: Re. Thanks & presenting to Council

You don't often get email from [sophie.handford@kapiticoast.govt.nz](mailto:sophie.handford@kapiticoast.govt.nz). [Learn why this is important](#)

Kia ora anō,

Out of scope

Ngā manaakitanga,

Sophie

---

**From:** Duane Emeny <[duane.emeny@airchathams.co.nz](mailto:duane.emeny@airchathams.co.nz)>  
**Date:** Wednesday, 3 May 2023 at 11:55 AM  
**To:** Councillor Sophie Handford <[Sophie.Handford@kapiticoast.govt.nz](mailto:Sophie.Handford@kapiticoast.govt.nz)>  
**Subject:** RE: Re. Thanks & presenting to Council

Kia Ora Sophie

Really enjoyed meeting you and glad I wandered up and introduced myself

Very keen to meet as we discussed. Darryn Grant hopefully working through an opportunity to do that soon.

All the best with IOD today!

Ngā mihi nui,

Duane Emeny | Chief Operating Officer

**Mobile:** [Section 7\(2\)\(a\)](#) **Email:** [duane.emeny@airchathams.co.nz](mailto:duane.emeny@airchathams.co.nz)  
**Web:** [www.airchathams.co.nz](http://www.airchathams.co.nz) **Freephone:** 0800 FLY NOW



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**From:** Councillor Sophie Handford <[Sophie.Handford@kapiticoast.govt.nz](mailto:Sophie.Handford@kapiticoast.govt.nz)>  
**Sent:** Wednesday, May 3, 2023 11:16 AM  
**To:** Duane Emeny <[duane.emeny@airchathams.co.nz](mailto:duane.emeny@airchathams.co.nz)>  
**Subject:** Re. Thanks & presenting to Council

You don't often get email from [sophie.handford@kapiticoast.govt.nz](mailto:sophie.handford@kapiticoast.govt.nz). [Learn why this is important](#)

Kia ora Duane,

Out of scope, was great to have a kōrero this morning and meet properly.

As mentioned, I'm keen to make sure you have the opportunity to speak with Council to tell your story, share a little bit about how the loans were used and share where your vision sits.

I will get in touch with staff on our end to make this happen and keep you posted.

Ngā manaakitanga,

Sophie

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OIR: 2425/1074

11 September 2024

[REDACTED]  
[REDACTED]

Tēnā koe [REDACTED],

**Request for Information under the Local Government Official Information and Meetings Act 1987 (the Act) (the LGOIMA)**

Thank you for your email of **14 August 2024** requesting the following information based on your previous questions in OIR 2425-1022:

1. ***Please advise and forward all KCDC/Air Chathams correspondence text messages/meeting minutes etc over the past 12 months that KCDC & Air Chathams have entered into, regarding [KCDC \$500,000 Loan to Air Chathams].***

Mark de Haast, GM Corporate Services, has passed your questions onto me, as GM Strategy and Growth, because I have been leading work on the Kāpiti Coast Airport and Air Chathams. My responses are noted below.

***New Questions arising from response to 2425-1022:***

- a. ***Correspondence dated 06/052024 - Please advise why Paul Eagle would be included in correspondence between KCDC & Air Chathams?  
- Has Chathams Council also made a Loan to Air Chathams?***

I understand that Duane Emeny, the Chief Operating Officer of Air Chathams chose to copy Paul Eagle, the Chief Executive of Chatham Islands Council, into this correspondence.

Council is not able to comment on whether the Chatham Island Council has made a loan to Air Chathams.

***Please note that any information provided in response to your request may be published on the Council website, with your personal details removed.***



- b. Correspondence dated 06/19/2024 "We are told that Whakatane Council are leading the work to address the issue that remains related to Covid loans made by all three councils to Air Chathams. Again, we have no visibility on those discussions other than they are underway. Perhaps you can ask the question of Darren on that matter too?"**

**- Please advise why Whakatane is this work? Please advise all points of discussions and their outcomes**

To clarify, Councils with regional airports have regular discussions around issues related to airport operations with an intention to leverage ways of working, and to standardise approaches to issues where appropriate to do so. Whakatane District Council has a regional airport, and so is involved in these discussions.

In regards to Air Chathams, the three Councils have discussed utilising a consistent due diligence approach regarding proposed and/or existing financial support. However, all parties undertake their own individual assessment of the status of respective loans, with independent decision making on the treatment of the loans. Please refer to [Responses to requests - Kāpiti Coast District Council \(kapiticoast.govt.nz\)](https://kapiticoast.govt.nz) (Financial Support to Air Chathams Statement (2223-536)).

Council has not released any information on these discussions either because it is operational detail, commercially sensitive, or outcomes have not emerged.

- c. Correspondence July 15th 2024 "As part of the year end processes, the Councils Auditors require that we impairment test any of the financial instruments that are disclosed in our financial statements. This therefore includes the loan the Council made to Air Chathams back in 2020-21."**  
**- Please provide copy of KCDC's review of this information.**

Unfortunately, we are not able to share information from the impairment review, and Air Chathams financial statements, as it is commercially sensitive. On that basis I must withhold this information under section 7(2)(b)(ii) of the Act which allows for Council to withhold information in order to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information. In Council's view the reasons for withholding these details are not outweighed by public interest considerations in section 7(1) favouring their release.

- 2. Have KCDC initiated any verbal or written enquired with Air Chathams as to their intention of re-paying the Loan in full on the due date, then please advise why not?**

**Questions arising from response to 2425-1022:**

- a. Would it not be fiscally prudent to enquire of a yearly bases to ascertain Chathams ability to pay the loan? and if not why not?**

Yes, it is appropriate for Council to understand any debtors ability to repay a loan. In that regard I can share the following points:

- Council seeks financial information annually to enable assessment of their ability to repay the loan.
- The Air Chatham's loan is not due for repayment until September 2025. I can confirm that Council continues to undertake appropriate due diligence on this matter.
- I understand that we have not received formal, legal advice from Air Chatham's that the loan will not be repaid.
- I can confirm that Air Chatham's remains focused on the sustainability of its service, and is in discussion with central government around the review of the Government's current framework for funding regional airports and airlines in New Zealand (this is related to the Government's programme to support sustainable and resilient regional infrastructure).

***b. Reference Question 1c "Councils Auditors require that we impairment test" - Please advise if KCDC impairment test indicates any risk with Air Chathams ability to pay this Loan? and if not why not?***

I understand from Council's finance team that the Kāpiti Coast District Council elected to fully impair the loan but expressly states in the Annual Report that it does not release Air Chathams from their obligation to fully repay the loan.

***3. Please confirm if KCDC will employ all available avenues to ensure this Loan is paid and how they intend to perform this task***

I can confirm that Council is investigating available avenues to ensure the loan is paid, including engaging with central government around the review of the Government's current framework for funding regional airports and airlines in New Zealand.

***Questions arising from response to 2425-1022:***

***a. Please advise the Loan's Facility Agreement repayment terms***

The loan has a repayment term of five years from September 2020.

***4. Should Air Chathams not be in a position to pay this debt, what endeavours will KCDC take to gain full payment***

Please refer to the response to Question 3 (above), and 4a (below).

***Questions arising from response to 2425-1022:***

***a. Please advise the all terms of enforcement & obligations that Council is able to enforce under the terms of the agreement***

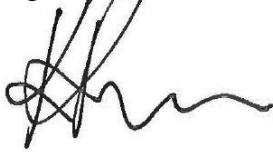
The Council has a robust loan agreement in place with Air Chathams. In the event of a default under the loan agreement, the Council has the option to

exercise all or any of its rights under the agreement and at law, which include requiring immediate repayment of the outstanding amount.

The Council's loan agreement with Air Chathams is commercially sensitive and on that basis I must withhold this information under section 7(2)(b)(ii) of the Act which allows for Council to withhold information in order to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information. Further, the withholding of the information is necessary to enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities, section 7(2)(h) of the LGOIMA refers. Also, withholding the information enables Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations), section 7(2)(i) of the LGOIMA refers. In Council's view the reasons for withholding these details are not outweighed by public interest considerations in section 7(1) favouring their release.

You have the right to request the Ombudsman to review this decision. Complaints can be sent by email to [info@ombudsman.parliament.nz](mailto:info@ombudsman.parliament.nz), or by post to The Ombudsman, PO Box 10152, Wellington 6143.

Ngā mihi,



**Kris Pervan**

Group Manager Strategy and Growth  
Te Kaihautū Rautaki me te Tupu