From: BDC Lgoima

To:

Subject: Official Information Request for Airport Financials - Further Queries Ref: 154/24

Date: Tuesday, 14 January 2025 10:44:53 am

Attachments: image002.png

Dear

We refer to your further official information request dated 6 December 2024.

The information you have requested is marked below in red:

1. How has the Westport Airport gone from making a \$988,00 surplus in 2019/20, to a loss of nearly 400,000 just five years later in 2023/24?

Westport Airport went from making a Total net Surplus of \$988k in 2019/2020 to a net Deficit in 2023/24 of (\$394k).

A subset of the Total Net surplus is the Operating Surplus/Deficit – this excludes external contributions – Grants etc

The difference between operating Surplus/Deficit and Total Net Surplus/Deficit is the amount grants the airport received.

Westport Airports Operating surplus for 2019/20 was (\$253k) and \$(394k) in 2023/24. Whilst Airport revenues increased slightly over the period the worsening operating deficit is can be attributed to general maintenance and overall inflationary pressures.

Account	2023/24 Full Year				2019/20 Full Year
Operating Surplus / (Deficit)	(394,121)	(394,198)	(121,339)	(194,168)	(253,834)
Non Operating Income	0	0	0	755,630	1,242,774
Net Surplus / (Deficit)	(394,121)	(394,198)	(121,339)	561,462	988,940

2. What external grants did the Airport receive in the 2019/20 and the 2020/21 year, and why did they stop in future years?

2021: A grant of \$755,630 was provided by the Ministry of Business and Innovation. It was from the Critical Infrastructure Resilience Fund. This funding was for the Westport Airport Sea Wall, a rock protection wall which shelters the Westport Airport runway and land. No further grant funding was received from the Ministry of Business and Innovation during the year end 30 June 2022.

2020: This grant is provided by the Ministry of Business and Innovation. It is from the Critical Infrastructure Resilience Fund. In 2020, \$1,242,557 was received. The grant is paid after expenditure is incurred by the Westport Airport Authority and there is no portion of grant received in advance which must be accounted for at 30 June 2020.

3. A statement in response to queries about whether it's fair that ratepayers are covering 50% of the Airport's annual losses?

The Council's decision to provide financial support for the airport reflects its

commitment to sustaining this vital service. This funding ensures the airport remains operational, preserving the region's connectivity and emergency response capabilities, as it serves as a critical lifeline for Buller.

The airport plays a key role in supporting the local economy, healthcare services, and the overall safety of our district. This shared funding arrangement between central and local government underscores the importance of collaboration in maintaining essential infrastructure in regional areas

4. Is Council investigating ways to return the Airport to profitability, or considered selling the airport?

No, the Council is not currently considering selling the airport. It remains one of Buller's essential lifelines and a critical air connectivity route for our region. While Council staff continue to explore ways to return the airport to profitability, the aviation industry is facing challenging times, with rising costs across most areas. As a result, many small or regional airports operate at a loss.

You have the right to seek an investigation and review by the Ombudsman of this decision. Information about how to make a complaint is available at www.ombudsman.parliament.nz or freephone 0800 802 602.

If you wish to discuss this decision with us, please feel free to contact the Buller District Council by return email to lgoima@bdc.govt.nz.

Please note that it is our policy to proactively release our responses to official information requests where possible. Our response to your request will be published shortly at https://bullerdc.govt.nz/district-council/your-council/request-for-official-information/responses-to-lgoima-requests/ with your personal information removed.

Kind regards,

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