

WESTPORT AIRPORT

Statement of Intent For the year ended 30 June 2024

Introduction

The Westport Airport is a joint venture operation between the Buller District Council (the Westport Airport Authority which is granted the power and responsibility for managing and operating the airport) and the Ministry of Transport (on behalf of the Crown).

Management and control of the Airport is vested in the Buller District Council.

This Statement of Intent sets out the intention and the objectives for the Westport Airport Authority for the period 1 July 2023 to 30 June 2024 and the following financial year.

Objectives

The principal objective is to operate a safe and efficient airport facility and assist in the provision of air services for visitors and stakeholders alike.

To operate as close as possible to a commercial business offering cost effective value for the ratepayer investment.

To maintain the Airport's assets and infrastructure at a level compliant with our CAA Part 139 certification status.

To pursue any commercial undertakings at the Airport that will complement the Airport operation and increase the level of economic activity

Nature and Scope of the Activities to be Undertaken

The nature of the activities of the Airport is to operate Airport facilities at Westport that support scheduled flights and other general aviation activity including air ambulance, charter and leisure.

The Airports scope envelops the provision, maintenance, upgrading and enhancement of services and facilities to accommodate the safe movement of aircraft and the efficient facilitation of passengers and cargo through the Airport.

In addition to the airside operations the airport authority also derives income from providing ground handling services to the scheduled operator, managing property leases and car parking.

Accounting Policies

The accounting policies used by the Westport Airport Authority are consistent with generally accepted accounting principles, legal requirements and the Joint Venture Agreement. Major accounting policies are as follows;

Property, Plant and Equipment

Property, Plant and Equipment are stated at cost less accumulated depreciation. Cost includes expenditures that are directly attributable to the acquisition and construction of the asset.

Depreciation

Depreciation of fixed assets, other than land, is provided on a straight-line basis at rates calculated to allocate the cost of the assets over their estimated useful lives.

Goods and Services Tax

The financial statements are prepared exclusive of Goods and Services Tax except for accounts payable and receivable which are stated inclusive of GST. The WAA is not registered for GST on their own account, GST is accounted for as a division of Buller District Council.

Income Tax

Tax expense is calculated using the taxes payable method. As a result, no allowance is made for deferred tax. Tax expense includes the current tax liability and adjustments to prior tax liabilities.

Cash and Bank Accounts

Cash and bank accounts include cash on hand and deposits held at call with banks.

Trade and Other Receivables

Trade and other receivables are initially measured at the amount owed. When it is likely that the amount owed (or some portion) will not be collected, a provision for impairment is recognized and the loss is recorded as a bad debt expense.

Buller District Council Current Account

Buller District Council advances funds to the Airport Authority on a current account basis to enable the Authority's creditor obligations to be met as they fall due. This current account advance is recognised as either a current asset or a current liability. The account is measured at amortised cost using the effective interest rate method.

Creditors and Other Payables

Creditors and other payables are measured at the amount owed.

Revenue and Expenditure

Landing fees and Grazing income are billed by the Authority and are recognised when receivable. Expenses are recognised when they are incurred. Leases are recognised on a straight-line basis over the lease term.

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	AP Budget 2023/2024	LTP Budget 2024/2025	LTP Budget 2025/2026
INCOME			
Airport Dues/Landing Charges	42,230	50,888	51,804
Farmland Lease	43,260	42,000	42,000
Terminal and Sundry Income	16,995	15,903	16,189
Service Charge	98,880	111,318	113,321
Electricity Recovery	1,906	1,807	1,839
Total Income	203,271	221,915	225,153
EXPENDITURE			
Employment Costs	198,086	195,477	198,580
Power	9,455	9,542	9,713
Audit Fees	19,055	11,132	11,332
Shop Supplies	309	318	324
Depreciation	97,197	70,298	83,007
Consultants	5,253	5,301	5,396
Bank/ Eftpos Fees	515	420	427
Cleaning	1,030	2,120	2,159
General Expenses	12,875	14,847	15,114
Insurance	10,932	9,913	10,091
Legal Fees	2,060	2,120	1,079
WestReef Outwork	0	4,771	4,857
Publications/Subscriptions	3,605	2,650	2,698
Rates	1,039	448	456
Rents and Leases	3,152	3,181	3,238
Rep/Mtce and other Outwork	41,200	42,693	54,974
Training	10,300	10,597	10,788
Telephone	2,060	2,328	2,370
Share of Overheads	104,060	88,311	90,186
Total Expenditure	522,184	476,466	506,789
Profit/(Loss)	(318,913)	(254,552)	(281,636)
CAPITAL EXPENDITURE			
Other Assets	5,000	10,602	226,643
Other Plant - Fencing	20,000	0	0
Aerodrome Beacon	30,000		
Furniture & Fittings	0	3,181	0
Buildings - Carpark	0	0	0
Signs	0	2,120	0
Airport Lighting	0	0	97,133
Total Capital Expenditure	55,000	15,903	323,775

Capital Expenditure

The budget is expected to be used to replace fencing, beacons and provide for other small capital purchases.

Performance Targets

The Joint Venture performance will be judged against the following measures:

	AP Budget 2023/2024	LTP Budget 2024/2025	LTP Budget 2025/2026
Operating Revenue	203,271	221,915	225,153
Operating Expenditure	522,184	476,466	506,789
Net Profit (Loss)	(318,913)	(254,552)	(281,636)
Capital Expenditure	55,000	15,903	323,775

Ratio of Shareholder Funds to Total Assets

The forecast ratio of shareholder funds to total assets for the next 3 years is:

2023/24	2024/25	2025/26
99%	99%	99%

Shareholder Funds is represented by Total Equity. Total Assets is Total Current and Non Current Assets not including any liabilities.

Profit or Loss Ownership

Profits or losses will be shared equally between the Joint Venture partners on a 50/50 basis from annual surpluses/deficits after tax, made after the deduction of appropriations to reserves amounting to a maximum total of the depreciation charged in that year.

Information to be Provided to Partners

The Annual Report is to be provided to shareholders within three months of the end of each financial year.

The report will include:

- A Statement of Financial Performance and Statement of Financial Position including comparison with the previous financial period.
- Any other statements as may be required by generally accepted accounting principles and legislation.

The report will also include a report from the appointed auditors.

Acquisition Policy

The Westport Airport Authority does not anticipate that it will acquire any new equity investments other than the purchase of operational assets approved as part of the yearly budgeting process. Any major acquisitions will only be entered into with the prior approval of the joint venture partners; Buller District Council and The Ministry of Transport.

Distribution Policy

The Westport Airport Authority has the ability should there be surplus funds available to distribute funds to each of the joint venture partners. This is unlikely due to the current level of accumulated profits (Accumulated Losses are \$503,563 as at 30 June 2022)

Other Matters Agreed by Partners

The Westport Airport Authority being owned by the Buller District Council and the Ministry of Transport (on behalf of the Crown) has commitments to the public.

- A commitment to the environment.
To comply with the Resource Management Act and undertake its activities in an environmentally sound manner having regard to the interest of the community.
- A commitment to service.
To systematically improve the quality and cost effectiveness of services provided to customers.
- A commitment to the community.
To operate the Airport with due regard to sound, cultural and environment issues arising from the community in which they are located.