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Stewart Island airline gets \$640k loan; Industry praises progress for regional airlines but warns of fuel prices

**John Weekes**

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The Government says Stewart Island's airline will get money to strengthen its fleet and keep vital services running.

Associate Regional Development Minister Mark Patterson made the announcement this morning.

He said a \$640,000 loan to South East Air, owner of aircraft which Stewart Island Flights operated, would help boost the fleet from four to five aircraft.

Patterson, of the New Zealand First party and a farmer from Otago, was on a delegation last month to Chatham Island.

That delegation witnessed the signing of [a new interlining partnership between Air Chathams and Air New Zealand](#).

Patterson made the announcement while the Aviation Industry Association (AIANZ) annual conference was on in Wellington.

Regional connectivity is a significant theme of the summit.

Simon Wallace, AIANZ chief executive, said the Government, officials and industry had made real progress in the past year on regional connectivity.

But Wallace said those improvements, and progress elsewhere in the sector, faced challenges including a big increase in fuel costs.

James Meager, the minister responsible for aviation, said the Government was also working to slash red tape for regional airports.

That included [changes to airport runway safety rules](#) announced last month.

Those changes introduced shorter runway end safety area (RESA) lengths for smaller airports.

Backers of that change argued the old runway rules were no longer necessary for safety.

Patterson today said the loan for South East Air meant the airline would be able to better meet peak season demand.

He also said scheduled services could now continue when unforeseen delays prolonged aircraft maintenance.

"It will also support island residents' access to healthcare services and education, boost response times in an emergency, and help drive Stewart Island's tourism, trade and general business activity."

Stewart Island Flights' website described it as a locally owned and operated business with flights to Invercargill and more remote parts of the island.

It operates two Britten Norman Islanders, one Piper Cherokee Six and one Cessna 185, all piston-engine aircraft.

The Cherokee and Britten Norman Islanders are for scheduled flights and chartered beach flights.

The Cessna is used for charters, sightseeing and photography tours.

The loan to South East Air was part of a \$30 million Regional Infrastructure Fund (RIF) package developed last year for regional air services.

The Government said the regional air connectivity package aimed to help airlines manage debt, maintain fleets, and keep operating important routes.

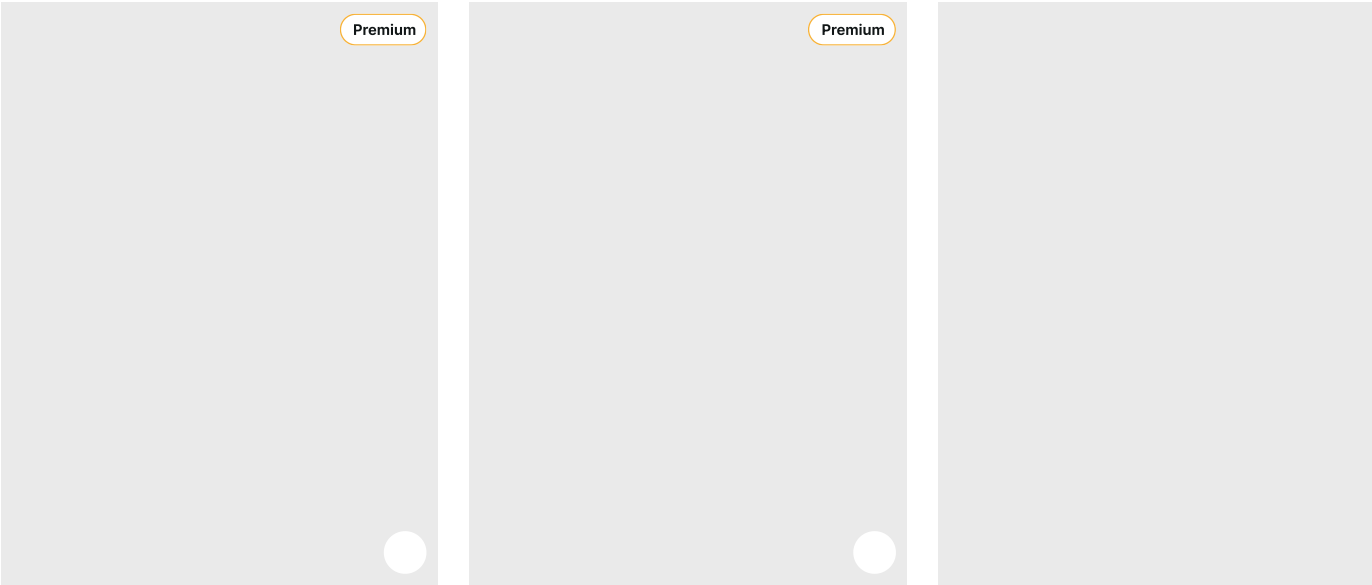
“This loan will shore up a vital connection for Stewart Island to the mainland, particularly with ongoing higher fuel costs continuing to have an impact on the aviation sector,” Patterson said.

John Weekes is a business journalist covering aviation. He also has experience covering consumer affairs, crime, politics and courts.

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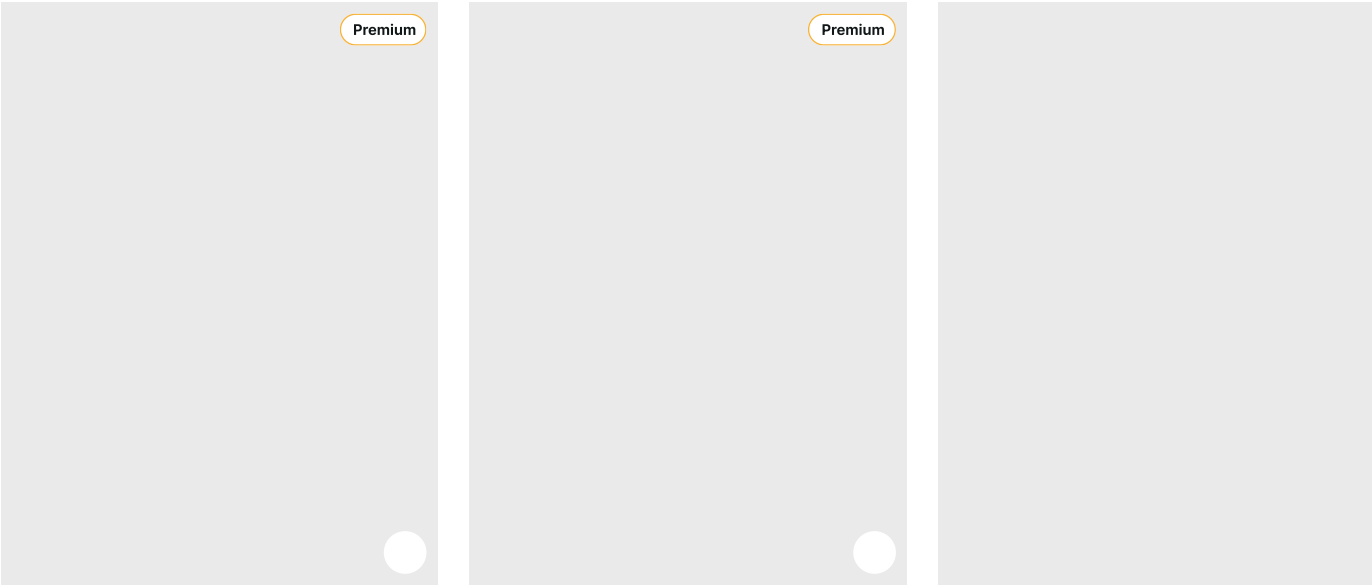
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