



Waitaki

DISTRICT COUNCIL
TE KAUNIHERA Ā ROHE O WAITAKI

Growing strong communities.

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10 May 2022

Clive Geddes
Chair
Omarama Airfield Ltd

Dear Clive

Omarama Airfield Ltd – Shareholder Letter of Expectation for 2022-23

I write on behalf of Waitaki District Council to convey the Council's expectation of Omarama Airfield Waitaki Ltd for 2022-23, to help set OAL's strategic direction and inform the development of OAL's Statement of Intent.

Waitaki District Council exists for the benefit of the residents, communities, and businesses of the district. As such, the Council is focused on furthering the interests and wellbeing of the district and in doing this, the Council's expectation is that Council Controlled Organisations, including OAL, are established and operate in support of delivering the Council's vision and objectives for the district.

The Council has adopted a Strategic Framework with a view to making Waitaki the Best Place to Be! In delivering this, the Framework focuses the Council's resources and effort on ensuring and delivering:

- a Prosperous District
- Strong Communities
- Quality Services
- A Valued Environment

In support of the Council delivering its vision and objectives for the district, the Council's specific expectations of OAL and the Board are as follows:

1. Develop and implement a plan for the business that ensures financial sustainability

WDC recognises that OAL is primarily operated for community benefit. However, to do this successfully, it is important that OAL has a business plan to ensure its financial sustainability into the future, free from subsidy or support. WDC expects that opportunities to achieve this will be explored including opportunities that, as well as generating income, also support the growth of the local economy, business opportunities and jobs. WDC expects as part of this business planning, commercial opportunities for powered flight to be explored, together with complimentary activities that generate a return, to increase utilising the OAL land holding.

WDC has in recent years, invested significant ratepayer resources to protect the Omarama Airfield for OAL and its users. This includes the purchase of the "Lory Block" to protect the airfield fan, subsequent land swap, development costs, and sales. The current net cost to the ratepayer of protecting the airfield is \$743,979.57. Some of this may be recouped by remaining land sale, but a significant cost will likely remain. In pursuing commercial opportunities, WDC expects OAL to give some consideration to the investment WDC and the ratepayer has made to protecting the airfield. In addition, WDC expects OAL to work collaboratively to maximise the benefit of WDC's landholding to the ratepayer and the airfield.

2. Develop and undertake business activities in support of the Council's wellbeing objectives

WDC expects OAL to develop and undertake its business activities in a manner that supports the overall well-being of the district. In particular, WDC expects OAL to develop and implement approaches to the following:

- i. Developing local supply chains and maximising the use of businesses within the Waitaki, whilst ensuring competitiveness and best value
- ii. A health and safety plan and culture that targets zero accidents and encourages reporting and learning
- iii. A corporate social responsibility policy and approach that in particular, defines how the company will support the Waitaki Community, being a good and responsible corporate citizen
- iv. An environmental management plan targeting reduction in the negative impact on the environment and supporting increased environmental sustainability of the company, airfield operations and usage.

I would be grateful if OAL could respond to the expectations set out in this letter, including setting out some key milestones in delivering the expectations, performance measures and assessment of risk. It would be helpful if this was set out in the revised Statement of Intent.

Finally, on behalf of the Council, I would like to thank you, the board and the team at OAL for all the work you are doing to further the interests of the company and Waitaki. These are challenging times and I look forward to working with you and ensuring a strengthened partnership between WDC and OAL going forward.

Yours sincerely



Alex Parmley
Chief Executive



Gary Kircher
Mayor for Waitaki