

29 August 2014

**Wellington Regional Strategy - Multilateral
Agreement in regard to Wellington Regional
Economic Development Agency**

Wellington Regional Council
Wellington City Council
Hutt City Council
Upper Hutt City Council
Porirua City Council
Carterton District Council
South Wairarapa District Council
Masterton District Council
Kapiti Coast District Council

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Parties

Wellington Regional Council (GWRC)

Wellington City Council (WCC)

Hutt City Council (HCC)

Upper Hutt City Council (UHCC)

Porirua City Council (PCC)

Carterton District Council (CDC)

South Wairarapa District Council (SWDC)

Masterton District Council (MDC)

Kapiti Coast District Council (KCDC)

1 Background

Wellington Regional Strategy

A The Wellington Regional Strategy (**WRS**) was initially approved and adopted by the Councils in 2007 to:

- provide a framework for the sustainable economic development of the Region with a focus on prosperity and quality of life;
- foster economic development for the Regional good, and
- minimise barriers to achieving Regional outcomes.

B Since 2007 the Councils have worked together to establish, review and manage the governance arrangements required to guide the implementation of the WRS. The governance arrangements since 2007 have included the following elements:

- The establishment in 2007 of a GWRC standing committee to act as the 'host' of the WRS known as the "WRS Committee" on which each Council in the region has been represented and which has also included 5 non-local government members, with one of the non local government members in the role of chair.
- The establishment in 2007 of a regional economic development agency (**Grow Wellington**), in the form of a not-for-profit CCO company with 100% of the shares held by GWRC.

- The appointment of a merit-based board of directors (recommended by the WRS Committee) to Grow Wellington.
- The collection by GWRC of a targeted regional economic development agency rate to fund Grow Wellington and the management of the WRS Committee;
- A review of the effectiveness of the entire WRS in 30 June 2011 (**2011 Review**). The review was undertaken and the concluded that there continued to be good reasons for continuing to pursue economic development at a region-wide scale, and to fund and deliver economic development activities on a region-wide basis.
- Following the 2011 review the Councils agreed to continue the WRS governance via the WRS Committee, with funding via the targeted economic development agency rate collected by GWRC. It was also agreed the regional economic development activity continue to be implemented by Grow Wellington.
- The WRS was refreshed in 2011/12 and the WRS Committee membership changed.

Shared Services Programme

C The Wellington Mayoral Forum began a programme of shared services in 2013. One of the shared services initiatives was economic development and this involved investigating integrating the activities of Grow Wellington with various WCC CCOs and business units to promote economic development at a regional scale. The outcome of the shared services project has been an agreement to combine the following CCOs and business units to establish a single agency to be known as the Wellington Regional Economic Development Agency (**WREDA**):

- Grow Wellington (a CCO of GWRC owned on behalf of the region)
- Positively Wellington Tourism (a CCO of WCC)
- Positively Wellington Venues (a CCO of WCC)
- Major Events (a business unit of WCC)
- Destination Wellington (a business attraction programme of WCC)

D This agreement has been prepared to record the Councils' agreed position, guiding principles and protocols in regard to :

- the process to establish WREDA;
- the role of the WRS Committee;

- the continued collection by GWRC (on behalf of the region) of a targeted economic development rate to fund the implementation of the WRS via regional economic development activities carried out by WREDA;
- the future governance and oversight of WREDA and its implementation of agreed WRS economic development activities; and
- the oversight and the future development of the WRS.

2 Guiding principles

2.1 The Councils agree that sustainable economic growth in the Wellington Region and the possibility of additional Central Government investment in and support of the region, can only be achieved if the Councils work together at a local governance level. To achieve this, the Councils have agreed the following guiding principles to direct the future development of the WRS and the subsequent actions by the respective Councils in regard to governance, implementation and funding.

2.2 The Councils agree to work together to:

- a. Foster economic development for the regional good.
- b. Minimise barriers to achieving regional economic outcomes.
- c. Deliver on actions that will result in economic benefits for the region.
- d. Ensure that appropriate mechanisms and processes relating to shared benefits are established and maintained to ensure:
 - (a) appropriate agreement on funding;
 - (b) that participants in collective decisions are those parties (or their representatives) who bear costs and risks of such decisions.
- e. Ensure that the processes by which this agreement evolves are transparent, unbiased towards any person or party and in particular:
 - (a) limits the potential for any party to amend the agreement in a manner that introduces unjustifiable bias; and
 - (b) appropriately balances the interests of all parties.
- f. Ensure that any future multilateral agreement reached between the Councils in regard to the WRS and collaborative economic development activities is robust and enforceable and complies with law and in particular the requirements of the LGA 2002.

3 Term and review

Term of this document

- 3.1 The guiding principles, understandings, agreements and protocols recorded in this document shall commence on the Operative Date and each of the Councils shall perform their respective obligations in accordance with this document from that date and until this document is reviewed or replaced or terminated in accordance with clause 13.

4 Triennial Agreement

- 4.1 The Councils agree to record in the triennial agreement, as required by section 15 LGA 2002, the agreements and protocols recorded in this document.

5 Role and operation of WRS Committee

Retention of WRS Committee

- 5.1 The Councils agree that GWRC will retain the 'Wellington Regional Strategy Committee' (**WRS Committee**) and that it will continue to take the role, on behalf of the Region, as the governance body for the region's economic development activities.

Role and functions of WRS Committee

- 5.2 The Councils agree that the WRS Committee's ongoing role and functions will be:
- a. To represent the region in economic development
 - b. To provide governance oversight of WREDA, by:
 - i. Setting WREDA's overall strategic objectives, service levels and outputs to advance the WRS (including expanding the WRS to incorporate events, venues and tourism attraction)
 - ii. Agreeing WREDA's KPIs
 - iii. Considering and reviewing the draft statement of intent developed by WREDA in response to the overall goals and levels of service set by the WRS Committee, and recommending to the Shareholders a final Statement of Intent.
 - iv. Monitoring the performance of WREDA and its board
 - v. Reviewing and agreeing WREDA's strategies for achieving the desired outcomes
 - vi. Reacting to changes and considering modifications of the desired outcomes

- vii. Recommending the appointment of WREDA directors to the Shareholders.
- viii. Considering the following actions:
 - a. establishing a subsidiary company or entity
 - b. issuing new shares to approve the transfer of shares to a new shareholder prior to any decision by the Shareholders of WREDA.
- c. Take responsibility for overall guidance and ongoing development of the WRS.
- d. Provide regional leadership, engage and establish partnerships with key government agencies and non-government agencies involved in economic development, acknowledging that constituent local authorities also have leadership roles on behalf of their cities and districts.
- e. Coordinate the various Council local economic development activities.
- f. Monitor the outcomes expected in the WRS focus areas and event and tourism attraction, and assess what further actions may be required as a result of monitoring.
- g. Ensure the WRS continues to be relevant by reviewing economic trends, investigating opportunities for promoting economic growth and developing and overseeing a process of periodic review as circumstances change.
- h. Determining the amount of the regional funding (collected via the GWRC EDA rate) to be applied by GWRC (via the funding agreement) to WREDA.

Membership of WRS Committee

- 5.3 Full membership of the WRS Committee shall comprise 10 persons.
- 5.4 GWRC is responsible for the appointment of the WRS Committee and will ensure that the membership is made up as follows:
 - a. One Regional Councillor appointed by GWRC.
 - b. Four people nominated by WCC.
 - c. One person nominated by HCC.
 - d. One person nominated by UHCC.
 - e. One person nominated by PCC.
 - f. One person nominated by KCDC.

- g. One person nominated jointly by MDC, CDC and SWDC, to represent the interests of Wairarapa.

5.5 For the avoidance of doubt the membership of the WRS Committee shall comprise the above members or their alternates nominated by their Council. The members and their alternates may be replaced from time to time by the respective Councils by providing written notice to GWRC, confirming the amended nomination.

Term of appointment

5.6 The members shall be appointed in accordance with the above clauses as soon as possible after each local government triennial election, and for a term that expires on the date of the next local government triennial election.

Remuneration

5.7 Each Council shall be responsible for any remuneration of its representative(s) on the WRS Committee, and for the cost of that person's participation in the WRS Committee.

Chairperson

5.8 The WRS Committee shall appoint and may remove the Chairperson and the deputy Chairperson.

5.9 For the purposes of the proceedings of the WRS Committee and the relevant GWRC standing orders, in the case of an equality of votes, the Chairperson shall not have a casting vote.

Operation of WRS Committee

5.10 The WRS Committee shall meet at such times as determined by the Chairperson from time to time and/or as determined by the WRS Committee, such meetings to be conducted in accordance with the Terms of Reference or as otherwise agreed by the WRS Committee from time to time.

Voting

5.11 Each member of the WRS Committee will have one equal vote, and decisions will be made by a simple majority.

Terms of Reference

5.12 The WRS Committee shall be established with the Terms of Reference attached at Schedule 1 of this document.

5.13 GWRC undertakes not to make any significant change to the Terms of Reference without a recommendation from the WRS Committee.

Role of Chief Executives Group

- 5.14 The Chief Executives of GWRC, WCC and the Chair of the Chief Executives' Forum shall support and provide advice to the WRS Committee, after discussion with the wider Chief Executives' Forum.

6 GWRC's role

- 6.1 GWRC agrees to support the objectives of the Councils and the guiding principles recorded in this document by ensuring that:
- a. It appoints and maintains the WRS Committee and confirms the WRS Committee's Terms of Reference in accordance with this document.
 - b. In regard to the WRS, it will not act independently of the WRS Committee.
 - c. Any recommendations of the WRS Committee that GWRC is unable (for whatever reason) to support will be referred back to the WRS Committee for further consideration.
 - d. The WRS Committee will have full delegations to achieve its role and the functions outlined at clause 6.2 of this document, except those delegations that cannot be made under LGA 2002.
 - e. By resolution passed in accordance with clause 30(7) Schedule 7 LGA 2002, the WRS Committee will not be deemed to be discharged following each triennial general election..

7 WCCs role

- a. In regard to the WRS, it will not act independently of the WRS Committee.
- b. Any recommendations of the WRS Committee in respect of the Statement of Intent and the appointment of directors that WCC is unable (for whatever reason) to support will be referred back to the WRS Committee for further consideration.

8 Funding protocols

- 8.1 The Councils agree to abide by the following protocols in regard to funding the WRS and its initiatives:

GWRC

- a. GWRC will, set a targeted regional economic development rate. The quantum of that rate will be recommended by the WRS Committee and will be subject to GWRC's Long Term Plan and Annual Plan processes.
- b. The targeted regional economic development rate will be allocated on the basis of:
 - (a) A uniform annual charge to residential ratepayers;
 - (b) A uniform annual charge to rural ratepayers of twice the rate charged to residential ratepayers;
 - (c) The remainder of the GWRC allocation of cost of WREDA being charged to businesses on the basis of their capital values.
- c. GWRC agrees to allocate the funds received from the GWRC targeted regional economic development rate to WREDA to deliver the economic development initiatives outlined in the WRS. GWRC will not allocate any part of the targeted economic development rate for initiatives that are inconsistent with the WRS.
- d. GWRC will deal with any subsequent desire (by either GWRC or any of the other Councils), to increase or decrease the annual GWRC targeted regional economic development rate or to adjust the agreed rating allocation formula from that set out above in the following manner:
 - (a) by referring the matter to the WRS Committee for consideration and recommendation;
 - (b) by only acting on a recommendation by the WRS Committee that has received the support of a three quarters vote of the WRS Committee.

WCC

WCC will inform the WRS Committee on its intended funding allocation to WREDA as part of its Long Term Plan and Annual Plan development processes.

9 Announcements

- 9.1 Each of the Councils agree that:
 - a. They will not make any public announcements or media releases on behalf of the other Councils or the WRS Committee, in regard to the

WRS and WREDA. Nothing in this provision shall prohibit or restrict a Council from making public announcements or media releases in connection with a Council's own implementation of or involvement with regional economic development.

- b. Only the Chairperson of the WRS Committee or his or her nominee shall be authorised to make public announcements or media releases on behalf of the WRS Committee in relation the WRS generally.

10 Reporting and information

- 10.1 GWRC and WCC (as appropriate) will ensure that each of the other Councils receive copies of the following in a timely manner:
 - a. all WRS Committee papers;
 - b. a copy of the completed annual statement of intent for WREDA; and
 - c. copies of the half yearly and annual reports of WREDA.
- 10.2 The WRS Committee will request WREDA meets with each Council at least once per year during the period Councils are preparing their Annual Plans, unless Councils do not wish to meet with the company.

11 Dispute resolution

- 11.1 Without limiting the application of the following clauses relating to dispute resolution, in the event of a dispute arising under this document, the Councils shall actively and openly endeavour to amicably settle such dispute themselves, with the view to achieving prompt resolution.
- 11.2 If a dispute is unable to be promptly resolved between the Councils, any Council may invoke the dispute resolution procedure provided by this clause by giving written notice to the other Councils.
- 11.3 The Councils to whom such notice is given shall promptly designate a person with authority to settle the dispute. The person designated by the Councils shall, within 10 Working Days of the designation, follow whatever investigations are considered appropriate to resolve the dispute.
- 11.4 If the dispute is not resolved within 30 business days from the commencement of the investigations, or such longer time as all Councils may agree, the Councils shall, for a further 60 Working Days, seek to resolve the dispute through mediation.

12 Exit provisions

- 12.1 The following provisions shall apply if any Council no longer wishes to be a party to this document:
- a. The Council that wishes to exit shall give the other Councils 60 Working Days written notice of their intention.
 - b. Receipt of such notice shall require the Councils to meet to review this document and agree any appropriate changes that may be required as a result of such Council's desire to exit.

13 Termination

- 13.1 This document will continue until the earlier of the following:
- a. The date a new agreement between the relevant Councils has been developed to replace this document, or
 - b. The date the WRS Committee is discharged by GWRC.

14 Execution

- 14.1 This document is properly executed if each party executes either this document or an identical document. This document takes effect when each of the Councils that sign the document returns their signed copy to the chairman of the Chief Executives Group.

15 Definitions and interpretation

Definitions

- 15.1 In this document the following definitions apply:

Chairperson means the chairperson of the WRS Committee appointed from time to time by the WRS Committee.

Chief Executives Group means the chief executives of the Wellington Councils.

Councils mean the Councils that are parties to this document.

CCO means a council-controlled organisation as defined in the LGA 2002.

LGA 2002 means Local Government Act 2002.

Operative Date means the date of this document.

Region, Regional and **Wellington Region** means the region defined in clause 6 of the Local Government (Wellington Region) Reorganisation Order 1989 referred to at Schedule 2 LGA 2002.

Statement of Intent means the WREDA statement of intent prepared in accordance with the requirements of the LGA 2002.

Shareholders mean the shareholders of WREDA, which at the date of this document shall be GWRC as 20% shareholder and WCC as to 80% shareholder.

Terms of Reference means the WRS Committee terms of reference attached as Schedule 1 as amended from time to time in accordance the provisions of this document.

Working Day means a working day as defined by section 5 of the LGA 2002.

WREDA means the company established as a CCO to implement regional economic development activities on behalf of the Wellington region.

WRS means the Wellington Regional Strategy.

WRS Committee means the Committee referred to in clause 5.

Execution and date

Executed as a deed.

Date: 2014

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Final Draft 29 Aug 14

Schedule 1

Terms of Reference

See attached.

Final Draft 29 Aug 14