

July 2007

# **Wellington Regional Strategy - Multilateral Agreement in regard to Wellington Regional Strategy**

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 (GW)**

**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)**

## Background

- A The Councils have been working together to develop the Wellington Regional Strategy (**WRS**) which:
- provides a framework for the sustainable economic development of the Region with a focus on prosperity and quality of life;
  - fosters economic development for the Regional good, and
  - minimises barriers to achieving Regional outcomes.
- B GW agreed on behalf of the Region to initiate a process under section 16 LGA 2002, in order to consult on a proposal that GW undertake a significant new activity in regard to the future governance, implementation and funding of the WRS.
- C On 8 August 2006 GW established an Interim Wellington Regional Strategy Committee (**Interim Committee**) to carry out a special consultative procedure for the WRS, and a statement of proposal for its governance and funding. GW approved the WRS and the statement of proposal for consultation on 12 September 2006.
- D Following the consultation and on the recommendation of the Interim Committee GW approved changes to the WRS and its governance and funding proposal in February 2007. Further changes to the governance and funding proposal arose

through a mediation process under Section 16 LGA 2002. The final proposal was adopted by GW, on behalf of the Region, on 8 May 2007.

- E The governance and funding of the WRS by GW reflects Central Government's desire to encourage greater consolidation of regions (aligned in some cases with regional council boundaries<sup>1</sup>). The consolidation of regions is being encouraged to allow Central Government funding available to support regional capacity for economic development, to be provided in a contestable and prioritised manner and to ensure that any such funding is aligned with national priorities.
- F The WRS arrangements include the following key elements:
- A GW standing committee to act as the 'keeper' of the WRS.
  - The standing committee membership structure with details as agreed by the participating Councils in this document.
  - A regional economic development agency (EDA), in the form of a not-for-profit CCO, to replace Positively Wellington Business, with further detailed work to be carried out to determine its relationship with Go Wairarapa and Enterprise Coast, in consultation with the 'owners' of those agencies.
  - The appointment of a merit-based board to the regional EDA.
  - A targeted regional economic development agency rate to fund the regional EDA.
  - A review of the effectiveness of the entire Wellington Regional Strategy by 30 June 2011.
  - GW ceasing to carry out the function of regional economic development on 30 June 2012, unless otherwise determined through the process set out in section 16 of the LGA 2002 or such other equivalent process that applies at that time.
- G The Councils have agreed to sign this document to record agreed protocols in regard to the future implementation, governance and funding of the WRS by GW.

## **1 Guiding principles**

- 1.1 The Councils agree that sustainable economic growth in the Wellington Region and the possibility of additional Central Government funding, can only be achieved if the Councils work together at a local governance level. To achieve

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<sup>1</sup> Office of the Minister for Economic Development, Boosting the Impact of Regional Economic Development, issued by Ministry of Economic Development, August 2006.

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.

- 1.2 The Councils agree to work together to:
- 1.2.1 Foster economic development for the Regional good.
  - 1.2.2 Minimise barriers to achieving Regional outcomes.
  - 1.2.3 Deliver on actions that will result in benefits for the region.
  - 1.2.4 Ensure that appropriate mechanisms and processes relating to shared benefits (ie making sure no one falls behind) are established and maintained to ensure:
    - (a) a collective agreement on funding;
    - (b) that participants in collective decisions are those parties (or their representatives) who bear costs and risks of such decisions.
  - 1.2.5 Ensure that the processes by which this agreement to work together evolves is 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) balances the interests of all parties.
  - 1.2.6 Ensure that any future multilateral agreement reached between the Councils in regard to the WRS is robust and enforceable and complies with law and in particular the requirements of the LGA 2002.

## **2 Term and review**

### **Term of this document**

- 2.1 The 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 12.

### **Review of WRS**

- 2.2 The Councils agree to complete a review of the WRS by 30 June 2011.

- 2.3 Should GW wish to continue to carry out regional economic development activity after 30 June 2012, it must undertake the process under section 16 LGA 2002 or such other equivalent process as applies at the time.

### **3 Triennial Agreement**

- 3.1 The Councils agree to amend the triennial agreement required by section 15 LGA 2002 to reflect the agreements and protocols recorded in this document.

### **4 Establishment, role and operation of WRS Committee**

#### **Establishment and continued role**

- 4.1 The Councils agree that GW will establish the 'Wellington Regional Strategy Committee' (**WRS Committee**) and that it will continue to take the role, on behalf of the Region, as 'Keeper of the Strategy'.

#### **Role and functions of WRS Committee**

- 4.2 The Councils agree that the WRS Committee's ongoing role and functions will be:
- 4.2.1 To oversee the ongoing selection and recommendation of five (5) Non Local Government Members for appointment to the WRS Committee.
  - 4.2.2 On behalf of GW (acting on behalf of the Region):
    - (a) to take responsibility for overall guidance and further development of the WRS;
    - (b) to recommend, in accordance with clause 6 of this document, a required funding proposal to GW to be consulted on annually, in the course of the GW Annual Plan or LTCCP process which will include the proposed amount and allocation of a recommended targeted rate, to be collected by GW, to fund the existing and new economic development initiatives and the other initiatives outlined in the WRS;
    - (c) to oversee the establishment, governance, funding and accountability of a GW CCO as the regional EDA, to be responsible for delivering the economic development initiatives outlined in the WRS;
    - (d) to seek additional Central Government funding to support the initiatives outlined in the WRS (not directly sought by the regional EDA),
    - (e) to implement ( subject to available funding ) the other initiatives outlined in the WRS; and

- (f) to co-ordinate, monitor and guide the various initiatives to achieve the outcomes identified in the WRS.
- 4.2.3 To commission a full and independent review of the effectiveness of the WRS to be completed and reported to the WRS Committee by 30 June 2011, including setting the terms of reference and selecting the independent reviewer.
- 4.2.4 To make a recommendation to GW as to whether or not it continues the regional EDA activity after 30 June 2012.

### **Membership**

- 4.3 Full membership of the WRS Committee shall comprise 12 persons.
- 4.4 GW is responsible for the appointment of the WRS Committee and will ensure that the membership is made up as follows:
  - 4.4.1 One Regional Councillor appointed by GW.
  - 4.4.2 One person nominated by WCC.
  - 4.4.3 One person nominated by HCC.
  - 4.4.4 One person nominated by UHCC.
  - 4.4.5 One person nominated by PCC.
  - 4.4.6 One person nominated by KCDC.
  - 4.4.7 One person nominated jointly by MDC, CDC and SWDC, to represent the interests of the Wairarapa.
  - 4.4.8 Five non local government individuals recommended by the WRS Committee and appointed by GW, provided that:
    - (a) the five Non Local Government Members must be appointed on the basis of skills, experience, standing and networks in the regional community relevant to the goals of the WRS; and
    - (b) at least one of the Non Local Government Members must be a suitable person to represent the interests of Maori.
- 4.5 For the avoidance of doubt the membership of the WRS Committee shall comprise the above Local Government Members or their alternates and the five Non Local Government Members only and shall not include any additional members, whether co-opted or otherwise. The Local Government Members and their alternates may be replaced from time to time by the respective Councils providing written notice to GW, confirming the amended nomination.

### **Term of appointment**

- 4.6 The initial seven Local Government Members shall be appointed for terms that expire on the date of the 2007 Local Government triennial election.
- 4.7 The subsequent Local Government Members shall be appointed in accordance with clause 4.4 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.
- 4.8 The initial five Non Local Government Members shall be appointed for terms that expire on the date of the Local Government triennial election in 2007. Each of the initial five Non Local Government Members shall, subject to the following clauses be eligible for re-appointment.
- 4.9 On 30 January 2009 and on each succeeding 30 January one of the five Non Local Government Members shall retire from office.
- 4.10 The Non Local Government Member to retire in any year shall be the member who has been longest in office. Where members became or were appointed as members on the same day, the order in which members shall retire shall be decided by lot, unless they otherwise agree among themselves.

### **Remuneration**

- 4.11 Each Council shall be responsible for remunerating its representative on the WRS Committee for the cost of that person's participation in the WRS Committee.
- 4.12 The remuneration of the Non Local Government Members will be determined and approved by GW, following consideration of any recommendation by the WRS Committee.

### **Chairperson**

- 4.13 The WRS Committee shall appoint and may remove the Chairperson and the deputy Chairperson. The Chairperson must be a Non Local Government Member.
- 4.14 For the purposes of the proceedings of the WRS Committee and the relevant GW standing orders, in the case of an equality of votes, the Chairperson shall not have a casting vote.

### **Operation of WRS Committee**

- 4.15 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**

- 4.16 Each member of the WRS Committee will have one equal vote, and decisions will be made by a simple majority, except decisions on the following which will require a three quarters majority vote:
- (i) decisions on the recommended quantum of funding required for the WRS;
  - (ii) decisions on the recommended amendment to GW's Revenue and Finance Policy;
  - (iii) decisions on the recommended regional targeted rate for economic development;
  - (iv) any decision resulting in a statutory consultation process under the LGA 2002 (such as establishing a new CCO);
  - (v) adoption of the statement of intent for the EDA;
  - (vi) appointment of directors of the EDA;
  - (vii) the following decisions relating to the independent review referred to in clause 4.2.3:
    - a. agreeing the terms of reference
    - b. selecting the independent reviewer
  - (viii) decisions made on the recommendations following the independent review referred to in clause 4.2.3; and
  - (ix) any significant amendments to the WRS.

## **Terms of Reference**

- 4.17 The WRS Committee shall be established with the Terms of Reference attached at Schedule 1 of this document.
- 4.18 GW undertakes not to make any significant change to the Terms of Reference without a recommendation from the WRS Committee.

## **Role of Chief Executives Group**

- 4.19 The Chief Executives Group shall support and provide advice to the WRS Committee.

## **5 GW's role**

- 5.1 GW agrees to support the objectives of the Councils and the guiding principles recorded in this document by ensuring that:
- 5.1.1 It appoints and maintains the WRS Committee and confirms the WRS Committee's Terms of Reference in accordance with this document.

- 5.1.2 In regard to the WRS, it will not act independently of the WRS Committee.
- 5.1.3 Any recommendations of the WRS Committee that GW is unable (for whatever reason) to support will be referred back to the WRS Committee for further consideration.
- 5.1.4 The WRS Committee will have full delegations to achieve its role and the functions outlined at clause 4.2 of this document, except those delegations that cannot be made under LGA 2002.
- 5.1.5 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.
- 5.1.6 It will undertake the process under section 16 LGA 2002 (or subsequent equivalent provision) if it wishes to continue to carry out regional economic development activity after 30 June 2012.
- 5.1.7 It will include a review of the funding allocation for the economic development rate under section 101(3) LGA 2002 (or subsequent equivalent provision) as part of its Revenue and Financing Policy for its 2009/10 LTCCP.

## **6 Funding protocols**

- 6.1 The Councils agree to abide by the following protocols in regard to funding the WRS and its initiatives:
  - 6.1.1 GW will, subject to any further recommendations of the WRS Committee in accordance with clause 6.1.3, set a targeted regional economic development rate of no more than:
    - (a) \$4 million plus GST in 2007/08 allocated as set out in clause 6.1.2; and
    - (b) \$4.5 million plus GST in 2008/09; and
    - (c) \$5 million plus GST in 2009/10; and
    - (d) \$5 million plus GST increased by the CPI increase over the previous year, in 2010/11;
    - (e) the cap amount for 2010/11 calculated under paragraph (c), increased by the CPI increase over the previous year, in 2011/12;

subject to the GW Annual Plan and LTCCP process and in accordance with the adopted proposals.

- 6.1.2 The targeted regional economic development rate for 2007/08 will be allocated on the following basis (allocating 42% to businesses and 58% to non-businesses):
- A uniform annual charge to residential ratepayers of \$12.50 plus GST.
  - A uniform annual charge to rural ratepayers of \$25 plus GST.
  - The remainder of the cost of the GW CCO being charged to businesses on the basis of their capital values.
- 6.1.3 GW agrees to allocate the funds received from the GW targeted regional economic development rate to the WRS Committee to fund the new GW CCO or any other delivery entity approved by the WRS Committee to deliver the economic development initiatives outlined in the WRS. GW will not allocate any part of the targeted economic development rate for initiatives that are inconsistent with the WRS.
- 6.1.4 The WRS Committee will require that the statement of intent for the GW CCO will include an explicit statement to record that capital or operational expenditure on community facilities or events are not activities that can be funded by the GW CCO.
- 6.1.5 GW will deal with any subsequent desire (by either GW or any of the other Councils), to increase or decrease the annual GW targeted regional economic development rate or to adjust the agreed rating allocation formula from that set out in clause 6.1.2 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;
  - (c) by not proposing any increase in the targeted rate above the amount recorded in this document.
- 6.1.6 The Councils will clearly show in their 2007/08 Annual Plan documents the reduction in the funding previously provided to Positively Wellington Business.

## **7 Good Regional Form Guidelines**

- 7.1 The guidelines contained in the WRS to promote good Regional form will not override local communities' ability to influence outcomes important to their communities.

## **8 Announcements**

8.1 Each of the Councils agree that:

8.1.1 They will not make any public announcements or media releases in connection with or on behalf of the other Councils or the WRS Committee, in regard to the WRS. 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 the WRS or policies in relation to the WRS.

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

## **9 Reporting and information**

9.1 GW will ensure that each of the other Councils receive copies of the following:

9.1.1 all WRS Committee papers;

9.1.2 a copy of the completed annual statement of intent for the GW CCO;  
and

9.1.3 copies of the half yearly and annual reports of the GW CCO.

## **10 Dispute resolution**

10.1 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.

10.2 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.

10.3 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.

10.4 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.

## 11 Exit provisions

- 11.1 The following provisions shall apply if any Council no longer wishes to be a party to this document:
- 11.1.1 The Council that wishes to exit shall give the other Councils 60 Working Days written notice of their intention.
  - 11.1.2 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.

## 12 Termination

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

## 13 Execution

- 13.1 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 return their signed copy to the chairman of the Chief Executives Group.

## 14 Definitions and interpretation

### Definitions

- 14.1 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 Councils.

**Councils** means the Councils that are parties to this document.

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

**EDA** means economic development agency.

**GW CCO** means the CCO established by GW as the regional EDA in accordance with this document and the WRS.

**Non Local Government Members** means the 5 members of the WRS Committee appointed in accordance with clause 4.4 of this document.

**LGA 2002** means Local Government Act 2002.

**Local Government Members** means the 7 members of the WRS Committee appointed following the nominations of the relevant Councils in accordance with clause 4.4 of this document.

**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.

**Terms of Reference** means the WRS Committee terms of reference attached as Schedule 1 as amended from time to time in accordance with clause 4.18 of this document.

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

**WRS** means the Wellington Regional Strategy as developed by the Wellington Regional Forum and consulted on and adopted in accordance with this document.

**WRS Committee** means the Committee referred to in clause 4.

**Execution and date**

Executed as a deed.

Date: 2007

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**Wellington City Council** )  
was affixed in the presence of: )

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**Schedule 1**

**Terms of Reference**

See attached.