



**PROVINCIAL
GROWTH
FUND**

FUNDING AGREEMENT

BETWEEN

**MINISTRY OF BUSINESS,
INNOVATION AND EMPLOYMENT**

AND

KAIPARA DISTRICT COUNCIL

FOR

KAIPARA WHARVES

Date of Agreement:

2019

PART 1: KEY DETAILS

1. Parties	MINISTRY The Sovereign in right of New Zealand, acting by and through the Chief Executive of the Ministry of Business, Innovation and Employment (Ministry) RECIPIENT Kaipara District Council a territorial authority listed in Part 2 of Schedule 2 to the Local Government Act 2002 (Recipient)
2. Funding Start Date	Commencement Date
3. End Date	31 December 2020
4. Background	Through the Provincial Development Unit, the Ministry is responsible for administering the Provincial Growth Fund, which aims to lift productivity potential in New Zealand's provinces. The Recipient delivers all the normal services of a District Council. This project aims to begin the redevelopment of the biggest harbour in New Zealand. An investigation and analysis of financial and economic benefits for a network of wharves together with stakeholder engagement will be conducted, followed by the development of detailed planning required for subsequent phases of the project. It is one of three projects in a combined "Kaipara Kick-start" package, the other two projects focus on Roads and Kai. The Recipient has sought a funding contribution from the Ministry for the purposes of the Project described below. The Ministry has agreed to contribute funding on the terms and conditions of this Agreement (Agreement). Key details of this Agreement are set out in this Part 1. The full terms and conditions are set out in Part 2. Defined terms and rules of interpretation are set out in Part 3.
5. Conditions Precedent	No Funding is payable under this Agreement until the Ministry has confirmed to the Recipient in writing that it has received, and found, in its sole discretion, to be satisfactory to it in form and substance, the following documents and evidence: a. The Recipient's Programme Steering Group has been established and an appropriate Terms of Reference developed. The members of the Steering Group must be appropriately skilled and experienced.
6. Project	Overview This project is known as "Wharves" and is intended to assist in making the Kaipara Harbour accessible to tourism and the horticulture industry, providing a lasting connection to Auckland and providing a sustainable future for the Kaipara. Wharves Analysis The Wharves Analysis will include a staged analysis for a series of wharves and

ferry services at several sites in the Kaipara Harbour (part of the Kaipara Moana Activation Plan).

The primary focus of analysis is to recommend which wharves should be upgraded/built, to what extent or function, and the staging of proposed work.

The Wharves Analysis will at all times consider:

- (a) alignment with the PGF criteria and objectives; and
- (b) value for money.

The Wharves Analysis will include a business case that will outline the costs of constructing a series of inner Kaipara harbour wharves (in proximity to Marae) and associated connecting ferries to determine whether the proposal has merit.

The Wharves Analysis shall also determine the relative functions of the wharves (i.e. passenger vs car ferries).

In particular, the Recipient shall ensure that the Wharves Analysis is designed to:

- (a) Undertake engineering assessments of all current wharves on Kaipara Harbour and estimate work to upgrade/replace/build;
- (b) Conduct commercial and financial analysis to find revenue streams and outline operational ownership and management options (e.g. value capture to fund infrastructure); and
- (c) Develop business case to phase wharf projects around highest overall value and linkages with dependent projects (e.g. roads, kai and tourism) includes Auckland to ensure city linkages are in place.

Implementation of Wharves Analysis

1. The next phase of the project involving the implementation of the Wharves Analysis will be dependent on the outcome of the analysis in order to unlock funding for specific projects. The physical works cost estimate and priorities to be confirmed in the business case of the Wharves Analysis.
2. The Parties note that funding for the Wharves Analysis phase is \$0.95million. A further \$4.0 million has been approved in principle ('In-Principle Approved Amount') by Regional Economic Development Ministers, who have delegated authority to certain Ministers to authorise expenditure up to the approved amount following satisfactory completion of investigations. The drawdown of this In-Principle Approved Amount shall require the following criteria to be met:
 - (a) Completion of the relevant investigation;
 - (b) Exclusion from the NLTP following assessment against NLTP priorities, or the Recipient is unable to meet its local share for projects in the NLTP;
 - (c) Alignment with PGF criteria and objectives; and
 - (d) Demonstrates how the proposed project will deliver expected outcomes and value for money.
3. Following completion of the relevant investigations, the Recipient will provide confirmation of whether:
 - a. Any of the identified priority implementation physical work are eligible for funding from the NLTF; and

b. If any of the identified priority implementation physical work are eligible for NLTF funding, what the status of the funding is. This includes Regional Land Transport Plan and Regional Public Transport Plan status, National Land Transport Programme status, NLTF funding approval status, and Kaipara DC local share availability.

4. When the Ministry is satisfied with the further works proposed by the Recipient (the results of the Investigations), having consulted with NZTA on NLTF funding eligibility, the Ministry together with the Ministry of Transport, will put up a briefing to the delegated Ministers to request a drawdown of, part or all of, the In-Principle Approved Amount.

5. Any additional PGF funding approved in accordance with paragraphs 2 and 3 above, will be recorded by way of a variation to this Agreement which will include an update to the Project Deliverables.

6. The Recipient acknowledges that other than as set out in paragraphs 2, 3 & 4 directly above, there is no further PGF funding to deliver the Project other than the Funding provided under this Agreement.

The expected outcomes for the Project shall include:

- increased direct employment opportunities;
- improve viability of existing businesses and create new businesses;
- increase social inclusion and participation;
- complement existing local visitor activities;
- better use of iwi assets and Māori development; and
- increased regional resilience.

7. Project Deliverables and Instalments

Wharves Analysis

The Recipient is to complete the following Wharves Analysis to the satisfaction of the Ministry by the following dates:

Due Date	Development Phase Deliverable	Instalment payable on completion NZD\$ (excluding GST)
30/06/2019	Funding Agreement executed by both parties	Up to \$50,000

31/08/2019	Recipient entered into a contract with third party providers approved by the Ministry for infrastructure investigations Feasibility Study and Business Case development.	Up to \$100,000
30/09/2019	Scope and timetable of Feasibility Study. submitted to the Ministry incorporating the Objectives and any Ministry requirements Value Assurance In order to provide value assurance, the parties will meet at this stage to discuss the progress of the Wharves Analysis and whether the project should proceed. If the Ministry determines that the project does not have merit (in its sole discretion) it may terminate on 20 working days' notice.	Up to \$50,000
28/02/2020	Draft Feasibility Study submitted to the Ministry	Up to \$350,000
30/04/2020	Final Feasibility Study submitted to the Ministry which addresses the Objectives and any Ministry feedback	Up to \$300,000

31/05/2020	Business Cases submitted to the Ministry	\$100,000
30/06/2020	Final Report submitted to the Ministry	N/A
TOTAL		Up to \$950,000.00

For the avoidance of doubt, if any amount of Funding under any deliverable above remains underutilised, such Funding amount may be carried over and is available for the subsequent deliverable(s). The Recipient will advise the Ministry's Contact Person in writing.

Implementation of Wharves Analysis

To be added as a variation in accordance with Item 6, Part 1. For the avoidance of doubt, any variation shall contain the Ministry's standard pre-conditions, standard contractual requirements (including insurance and reporting requirements), NZTA requirements (if applicable), deliverables and provisions for a further grant of this nature (substantively based on those provisions in the current Ministry template).

8. Key Personnel	Louise Miller - Chief Executive (KDC) Diane Bussey – Programme Manager (KDC)
9. Approved Contractors	As approved in writing by the Ministry (such consent not to be unreasonably withheld or delayed).
10. Funding	The total Funding available under this Agreement is up to NZ\$4,950,000 (four million dollars) plus GST (if any). This is the Total Maximum Amount Payable. The Funding is subject to the following sub-limits: (a) in respect of the Wharves Analysis, up to NZ\$950,000 plus GST (if any); and (b) following delivery of the Pre-feasibility Phase Report, in respect of the Implementation of Wharves Analysis, up to NZ\$4,000,000 plus GST (if

	any). The Funding will be paid in instalments on the payment dates set out in item 7, subject to completion of the relevant Project Deliverable; receipt of a Payment Request in accordance with clause 1 of Part 2 and the terms and conditions of this Agreement.
11. Co-Funding	The Recipient is not required to contribute any co-funding, however if any is received it be reported on (item 12) NLTF co-funding is not expected for the Project Deliverables. The Recipient, if necessary, will work with the NZTA to support the NLTF funding approval process, including but not limited to business case requirements, if the required investigations indicate eligibility for NLTF funding.
12. Reporting	The Recipient will provide the Ministry with: 1. Quarterly reports by the 10th Business Day following the end of each quarter; and 2. A Final Report by the 10th Business Day following the submission of the final Deliverable. Each quarterly report must include the following information: (a) Description and analysis of actual progress of the Project against planned progress; (b) A summary of Funding and any co-funding received for the Project, and a summary of expenditure, actual against budgeted; (c) Plans for the next quarter; (d) Any major risks arising or expected to arise with the Project, costs or performance of this Agreement; (e) Copies of any proposed and any published promotional material, media publicity or other documentation relevant to the Project; and (f) Any other information that is notified by the Ministry in writing to the Recipient on no less than 10 working days' notice from the Ministry that the information be included in the next quarterly report. The Final Report must include the following information: (a) Description and analysis of actual progress of the Project against planned progress; (b) A summary of Funding and any co-funding received for the Project, and a summary of expenditure, actual against budgeted; (c) Detail the Recipient's proposed next steps; (d) Copies of any proposed and any published promotional material, media publicity or other documentation relevant to the Project; and Any other information that is notified by the Ministry in writing to the Recipient on no less than 10 working days' notice from the Ministry that the information be included in the final report.

13. Insurance	Refer to Part 2, Section 3.17.	
14. Special Terms	1 The Recipient will prudently oversee the Project (including the Project Steering Group) and will ensure all contractors have accountability and deliver the upgrade works on time, within budget and to meet all relevant codes, consent/Authorisation requirements, as required for such works to be undertaken. 2 The Recipient will ensure the project is constructed to the appropriate standards and meets all statutory and best industry practice, including the appropriate safety audits. 3 Upon completion of the Project, the Recipient will maintain the completed Project and related assets in accordance with best industry practice, in any way necessary to be maintained in good and substantial repair and condition and, as appropriate, in good working order. Focus Group The Recipient shall establish a focus group, as part of stakeholder engagement, to provide a community perspective on which wharves should be upgraded/built, to what extent or function, and the staging of proposed work (Focus Group). The Focus Group shall include, without limitation, representatives of local fishing and recreation groups. The Focus Group will meet regularly and make recommendations which will be considered by the Advisory Group in developing the project deliverables for consideration by the Programme Steering Group. The Recipient shall also provide information/updates about the Project for all identified stakeholders/stakeholder groups (including the Focus Group). Membership to the Focus Group shall not preclude membership of the Advisory Group.	
15. Contact Person	Ministry's Contact Person: Name: Leah MacDonell Email: leah.macdonell@mbie.govt.nz	Recipient's Contact Person: Name: Diane Bussey Email: dbussey@kaipara.govt.nz
16. Address for Notices	To the Ministry: 15 Stout Street, PO Box 1473 Wellington 6140 Attention: Provincial Development Unit Email: monitorpgf@mbie.govt.nz	To the Recipient: Private Bag 1001 Dargaville 0340 Attention: Diane Bussey Email: dbussey@kaipara.govt.nz

SIGNATURES

SIGNED for and on behalf of the
**SOVEREIGN IN RIGHT OF NEW
ZEALAND** by the person named below,
being a person duly authorised to
enter into obligations on behalf of the
Ministry of Business, Innovation and
Employment:



Name: *ROBERT PIGEON*
Position: *Head of PDU.*
Date: *20/6/19.*

SIGNED for and on behalf of the
RECIPIENT by the person named below,
being a person duly authorised to enter
into obligations on behalf of the
Recipient:



Name: *Louise Miller*
Position: *Chief Exec Officer*
Date: *13 June 2019.*

END OF PART 1

PART 2: GENERAL TERMS

1 FUNDING

- 1.1 The Ministry will pay the Funding (up to the "Total Maximum Amount Payable" specified in the Key Details) to the Recipient, subject to the terms of this Agreement. The Recipient must use the Funding on Eligible Costs.
- 1.2 The Recipient must submit a Payment Request to monitorpgf@mbie.govt.nz and copying in the Ministry's Contact Person in accordance with item 7 (Project Deliverables and Instalments) of the Key Details.
- 1.3 Each Payment Request is to be signed by the Chief Executive and an authorised signatory of the Recipient and must be in the form set out in the Schedule and include the confirmations set out therein, and must include:
- (a) the amount of Funding requested, which must not exceed the Instalment set out in item 7 of the Key Details;
 - (b) a breakdown of total Eligible Costs incurred by the Recipient and confirmation that such costs are Eligible Costs for the purpose of this Agreement and have been paid or are currently due and payable (not required for any initial payment to be paid on the Commencement Date);
 - (c) copies of invoices received by the Recipient from third parties in relation to the Eligible Costs where those Eligible Costs are more than \$1,000 (on an individual basis or when grouped by supplier or subject matter) and statements and accounts showing the Eligible Costs incurred;
 - (d) if the Payment Request includes a GST component, contain a valid GST invoice complying with the Goods and Services Tax Act 1985;
 - (e) confirmation that no Termination Event is subsisting and that each of the warranties under clauses 3 and 7 of this Agreement are correct as at the date of the Payment Request; and
 - (f) contain any other information required by the Ministry.
- 1.4 The Ministry is not required to pay any Funding in respect of a Payment Request:
- (a) where the Ministry is not satisfied with the progress of the Project;
 - (b) if any Project Deliverable(s) have not been completed by the relevant "Completion Date" specified in the Key Details;
 - (c) if the Ministry is not satisfied with the information that is contained within, or provided in connection with, the quarterly reports or the Payment Request noting that in the context of the Payment Request the Ministry may elect to pay the Recipient for certain Eligible Costs that are the subject of the Payment Request and withhold payment for other Eligible Costs that the Ministry disputes;
 - (d) if the Ministry is not satisfied that the Recipient has applied Co-Funding in accordance with clause 2(a)(ii) of this Agreement;
 - (e) if payment will result in the Funding exceeding the "Maximum Amount Payable";



- (f) while there are one or more Termination Event(s);
- (g) if this Agreement has expired or been terminated; and/or
- (h) while the Recipient is in breach of this Agreement.

1.5 Subject to the terms of this Agreement, the Ministry will pay each valid Payment Request by no later than the 20th day of the month after the month the Payment Request is dated, and if such day is not a Business Day, on the next Business Day.

2 CO-FUNDING

The Recipient must:

- (a) ensure that during the term of this Agreement the Co-Funding:
 - (i) is and remains secured and available to the Recipient to be applied towards the Project on the same terms and conditions approved by the Ministry; and
 - (ii) is applied to Eligible Costs proportionally with Funding provided under this Agreement; and
- (b) immediately notify the Ministry if it becomes aware of any circumstances that may result in the Co-Funding (or any part of the Co-Funding) not being secured and available to the Recipient to be applied towards the Project.

3 RECIPIENT'S RESPONSIBILITIES

Standards and compliance with laws

- 3.1 The Recipient will use reasonable endeavours to undertake the Project as described in this Agreement.
- 3.2 In undertaking the Project, the Recipient will comply with all applicable laws, regulations, rules and professional codes of conduct or practice.

Deliverables, Key Personnel, Contractors and the Project

- 3.3 The Recipient will ensure that the Deliverables and the Project are carried out:
 - (a) promptly with due diligence, care and skill, and in a manner that meets or exceeds Best Industry Practice;
 - (b) by appropriately trained, qualified, experienced and supervised persons; and
 - (c) in accordance with any directions of the Ministry, notified by the Ministry in writing from time to time.
- 3.4 The Recipient will ensure that the Deliverables are completed by the relevant "Completion Date" specified in the Key Details.
- 3.5 The Recipient will ensure that the Key Personnel undertake their respective roles in connection with the Project as specified in the Key Details, except as otherwise approved in writing by the Ministry.

If any Key Personnel become unavailable to perform their role, the Recipient must promptly arrange replacement Key Personnel acceptable to the Ministry.

3.6 The Recipient may not contract (either directly or indirectly) the delivery of the Project or any of its obligations under this Agreement or the related construction contract except where:

- (a) it has the Ministry's prior written approval (which may be given on any conditions specified by the Ministry);
- (b) the contractors are named as "Approved Contractors" in respect of particular roles in the Key Details; or
- (c) the contract is for less than \$100,000.

3.7 The Recipient is responsible for the acts and omissions of any contractors.

3.8 The Recipient will ensure (and will procure that the head contractor when engaging with any other contractor ensures) that all agreements it enters into with contractors or any other party in connection with the Project are on an "arm's length" basis, provide value-for-money and do not give rise to any Conflict of Interest. The Recipient must provide the Ministry with reasonable evidence of compliance with this clause 3.8 in response to any request by the Ministry from time to time.

Information Undertakings

3.9 The Recipient will provide the Ministry with the reports (if any) specified in the Key Details, in accordance with the timeframes and reporting requirements set out in the Key Details.

3.10 The Recipient will provide the Ministry with any other information about the Project requested by the Ministry within the timeframe set out in the request.

3.11 The Recipient shall promptly notify the Ministry if:

- (a) the Recipient (or any of its personnel or contractors) becomes aware of, or subject to, a Conflict of Interest;
- (b) the Recipient becomes aware of any matter that could reasonably be expected to have an adverse effect on the Project, or result in a Termination Event or a breach of any term of this Agreement by the Recipient.

3.12 The Recipient will not at any time do anything that could reasonably be expected to have an adverse effect on the reputation, good standing or goodwill of the Ministry. The Recipient will keep the Ministry informed of any matter known to the Recipient which could reasonably be expected to have such an effect.

Funding, records and auditors

3.13 The Recipient will receive and manage all Funding in accordance with good financial management and accounting practices and to a high standard that demonstrates appropriate use of public funds.

3.14 The Recipient must keep full and accurate records (including accounting records) of the Project, and retain them for at least 7 years after the last payment of Funding under this Agreement. The



Recipient must permit the Ministry (or any auditor nominated by the Ministry) to inspect all records relating to the Project and will allow the Ministry and/or the auditor access to the Recipient's premises, systems and personnel for the purposes of this inspection.

- 3.15 The Recipient must appoint a reputable firm of chartered accountants as auditors to audit its financial statements in relation to the use of the Funding.

Maintenance

- 3.16 Upon completion of each Project Deliverable, the Recipient will ensure the maintenance of and maintain the completed facilities and assets in accordance with best industry practice, in any way necessary to be maintained in good and substantial repair and condition and in good working order.

Insurance

- 3.17 The Recipient must effect and maintain insurance that is adequate to cover its obligations under this Agreement, plus any other insurance specified in the Key Details. The Recipient will, on request, provide the Ministry with evidence of its insurance cover required under this clause.

Health and Safety

- 3.18 Without limiting its other obligations under this Agreement, the Recipient will:
- (a) consult, cooperate and coordinate with the Ministry to the extent required by the Ministry to ensure that the Ministry and the Recipient will each comply with their respective obligations under the Health and Safety at Work Act 2015 as they relate to this Agreement and the Project;
 - (b) perform its, and ensure that the contractors perform their, obligations under this Agreement and the Project (as applicable) in compliance with its and their obligations under the Health and Safety at Work Act 2015;
 - (c) comply with all directions of the Ministry relating to health, safety, and security; and
 - (d) report any health and safety incident, injury or near miss, or any notice issued under the Health and Safety at Work Act 2015, to the Ministry to the extent that it relates to, or affects, this Agreement or the Project.

4 PROJECT GOVERNANCE

- (a) If advised in writing by the Ministry the Recipient will:
 - (i) provide reasonable notice to the Ministry of all Project management group meetings and Project governance group meetings; and
 - (ii) provide copies of all documents and notices to be tabled at the Project management group meetings and Project governance group meetings to the Ministry no later than a reasonable period prior to the meetings, and the minutes of those meetings within a reasonable period after each meeting
- (b) The Ministry may appoint observers who will be entitled to attend and speak at all Project management group meetings and Project governance group meetings (but will not be entitled to vote on any matter at those meetings).



5 INTELLECTUAL PROPERTY

- 5.1 The Ministry acknowledges that the Recipient and its licensors own all pre-existing intellectual property which they contribute to the Project, and all new intellectual property which they create in the course of the Project.
- 5.2 The Recipient grants an irrevocable, perpetual, royalty-free, sub-licensable licence to the Ministry to use all reports, documents, information and other materials created or provided by the Recipient to the Ministry under or in connection with the Project and this Agreement.
- 5.3 The Recipient warrants that it has obtained (or will obtain, prior to creation of each relevant work) all rights and permissions necessary to enable the grant and exercise of the licence in clause 5.2 without infringing the intellectual property rights of any third party.

6 TERM AND TERMINATION

- 6.1 This Agreement will be effective on and from the Commencement Date, which will be the latest to occur of:
- (a) the date this Agreement has been signed by both parties; and
 - (b) the date on which the Ministry has provided written notice to the Recipient that the Conditions Precedent specified in the Key Details have either been satisfied (in the opinion of the Ministry) or waived by the Ministry.
- 6.2 This Agreement will remain in force until the End Date, unless terminated in accordance with this Agreement (the **Term**).
- 6.3 The Ministry can terminate this Agreement with immediate effect, by giving notice to the Recipient, at any time while:
- (a) the Ministry reasonably considers that the Recipient has become or is likely to become, insolvent or bankrupt;
 - (b) the Recipient is subject to the appointment of a liquidator, receiver, manager or similar person in respect of any of its assets;
 - (c) the Recipient has ceased to carry on its operations or business (or a material part of them) in New Zealand; or
 - (d) any one or more of the follow events or circumstances remains unremedied:
 - (i) the Recipient is materially in breach of any obligation, or a condition or warranty, under this Agreement;
 - (ii) the Recipient has provided the Ministry with information in connection with or under this Agreement that (whether intentionally or not) is materially incorrect or misleading, and/or omits material information;
 - (iii) the Ministry reasonably considers that this Agreement or the Project has caused, or may cause, the Ministry and/or the New Zealand Government to breach any legal obligations (including its international trade obligations);
 - (iv) the Recipient abandons the Project;



- (v) the Recipient is involved in any intentional or reckless conduct which, in the opinion of the Ministry, has damaged or could damage the reputation, good standing or goodwill of the Ministry, or is involved in any material misrepresentation or any fraud;
- (vi) the Recipient (or any of its personnel or contractors) is subject to a Conflict of Interest which cannot be managed to the Ministry's satisfaction; or
- (vii) any change in law, regulations, government policy or other circumstances materially affects the Ministry's ability to perform its obligations under this Agreement.

6.4 However, where the Ministry considers that a Termination Event set out in clause 6.3(d) can be remedied, the Ministry will give notice to the Recipient requesting a remedy, and will not exercise its right of termination unless the relevant event remains unremedied for at least 14 days (or any longer period agreed with the Recipient) after that notice has been provided by the Ministry.

6.5 The Ministry may recover Funding from the Recipient as follows:

- (a) **Misspent Funding.** At any time the Ministry may recover the amount of any Funding that has been spent or used other than in accordance with this Agreement, together with interest on all such amounts calculated at 10% per annum from the date of the misspending to the date the money is repaid.
- (b) **Co-Funding not provided.** On expiry or termination of this Agreement, if Co-Funding has not been used for the Project, the Ministry may recover an amount that represents the same proportion of the Funding as the proportion of Co-Funding that has not been used is of the total Co-Funding.
- (c) **Project abandoned.** If the Recipient has abandoned the Project or stated an intention to abandon the Project, and does not within 10 Business Days of being requested to do so by the Ministry demonstrate to the Ministry's satisfaction that the Recipient will proceed with the Project, the Ministry may recover an amount up to the total value of the Funding, provided the Ministry may not recover under this subclause if the Recipient satisfies the Ministry that it acted on reasonable grounds in deciding to abandon the Project.

6.6 Clauses 1.5, 3.2, 3.13, 3.14, 3.16, 5, 6, 7, 8, 9, 10, 10.1, 12 and 13 survive expiry or termination of this Agreement, along with any other parts of this Agreement necessary to give effect to those provisions. Expiry or termination of this Agreement does not affect any accrued rights, including any rights in respect of a breach of this Agreement or Termination Event that occurred before expiry or termination.

7 WARRANTIES

7.1 The Recipient warrants that, in the course of its activities in connection with the Project, it will not infringe any intellectual property or other rights of any third party.

7.2 The Recipient warrants that, as at the date of this Agreement:

- (a) all information and representations disclosed or made to the Ministry by the Recipient in connection with this Agreement are true and correct, do not omit any material matter, and are not likely to mislead or deceive the Ministry as to any material matter;

- (b) it has disclosed to the Ministry all matters known to the Recipient (relating to Project, the Recipient or its personnel) that could reasonably be expected to have an adverse effect on the reputation, good standing or goodwill of the Ministry; and
- (c) it is not aware of any material information that has not been disclosed to the Ministry which may, if disclosed, materially adversely affect the decision of the Ministry whether to provide the Funding.

7.3 The Recipient acknowledges that the Ministry has entered into this Agreement in reliance on these warranties.

7.4 The Recipient acknowledges and agrees that the Ministry has made no warranty or representation that any funding or financial support is or will be available to the Recipient in respect of the Project other than the Funding.

8 LIABILITY

8.1 The maximum liability of the Ministry under or in connection with this Agreement, whether arising in contract, tort (including negligence) or otherwise, is limited to the total amount of Funding paid or payable under this Agreement.

8.2 The Ministry is not liable for any claim under or in connection with this Agreement, whether arising in contract, tort (including negligence) or otherwise, where such claim is or relates to any loss of profit, loss of revenue, loss of use, loss of reputation, loss of goodwill, loss of opportunity (in each case whether direct, indirect or consequential) or any other indirect, consequential or incidental loss or damages of any kind whatsoever.

9 CONFIDENTIALITY

9.1 Subject to clause 9.2 and 9.3, each party will keep the other party's Confidential Information in confidence, and will use or disclose that Confidential Information only to the extent necessary to perform its obligations, and/or take the intended benefit of its rights, under this Agreement. However, this will not prohibit:

- (a) either party from using or disclosing any information with the written prior consent of the other party;
- (b) use or disclosure of information that has become generally known to the public other than through a breach of this Agreement;
- (c) either party from disclosing information to its personnel or contractors with a need to know, so long as the relevant personnel and contractors use the information solely to enable that party to perform its obligations and/or take the intended benefit of its rights under this Agreement, and so long as they are informed of the confidential nature of the information and in the case of the Recipient, the Recipient receives an acknowledgement from its personnel or contractors that they acknowledge, and will comply with, the confidentiality obligations in this Agreement as if they were party to it;
- (d) disclosure required by any law, or any compulsory order or requirement issued pursuant to any law; or
- (e) the Ministry from using or disclosing to any third party any Licensed Work, provided that prior to any such disclosure the Ministry removes all information that is commercially sensitive to the Recipient from the relevant work.

- 9.2 The Recipient acknowledges and agrees that nothing in this Agreement restricts the Ministry's ability to:
- (a) discuss, and provide all information in respect of, any matters concerning the Recipient, the Project or this Agreement with any Minister of the Crown, any other government agency or any of their respective advisors;
 - (b) meet its obligations under any constitutional or parliamentary convention (or other obligation at law) of or in relation to the New Zealand Parliament, the New Zealand House of Representatives or any of its Committees, any Minister of the Crown, or the New Zealand Auditor-General, including any obligations under the "no surprises" policy advised by Ministers of the Crown; and
 - (c) publicise and report on the awarding of the Funding, including the Recipient's and any of its contractor's names, the amount and duration of the Funding and a brief description of the Project, on websites; in media releases; general announcements and annual reports.
- 9.3 The Recipient acknowledges that:
- (a) the contents of this Agreement; and
 - (b) information provided to the Ministry,

may be official information in terms of the Official Information Act 1982 and/or the Local Government Official Information and Meetings Act 1987 and, in line with the purpose and principles of the Official Information Act 1982 those Acts, this Agreement and such information may be released to the public unless there is good reason, in terms of under the Official Information Act 1982, (for the Ministry) or Local Government Official Information and Meetings Act 1987 (for the Recipient) to withhold it.

10 MEDIA AND COMMUNICATIONS

- 10.1 Before making any media statements or press releases (including social media posts) regarding this Agreement and/or the Ministry's involvement with the Project, the Recipient will consult with the Ministry, and will obtain the Ministry's prior approval to any such statements or releases.
- 10.2 The Recipient will refer any enquiries from the media or any other person about the terms or performance of this Agreement to the Ministry's Contact Person.
- 10.3 The Recipient will acknowledge the Ministry as a source of funding in all publications (including any digital presence) and publicity regarding the Project in accordance with the PGF Funding Acknowledgement Guidelines on the website: www.growregions.govt.nz. The Recipient must obtain the Ministry's approval of the form and wording of the acknowledgement prior to including the acknowledgement in the publication or publicity (as the case may be).
- 10.4 If requested by the Ministry, the Recipient will establish or erect temporary and/or permanent signage (which may be in the form of a plaque) at the site of the Project acknowledging the Ministry as a source of funding for the Project. The Ministry may provide such signage and the Ministry will consult with the Recipient in respect of a suitable location for such signage.
- 10.5 The Recipient does not have the right to enter into any commitment, contract or agreement on behalf of the Ministry or any associated body, or to make any public statement or comment on behalf of the Ministry.

- 10.6 All correspondence with the Ministry under this clause 10 must be directed to the Ministry's Contact Person and copied to pducomms@mbie.govt.nz.

11 DISPUTES

- 11.1 In the event of any dispute, controversy or claim arising out of or in connection with this Agreement, or in relation to any question regarding its existence, breach, termination or invalidity (in each case, a *Dispute*), either party may give written notice to the other specifying the nature of the Dispute and requesting discussions under this clause 10.1 (*Dispute Notice*). As soon as reasonably practicable following receipt of a Dispute Notice, the parties will meet (in person, or by audio or video conference) and endeavour to resolve the Dispute by discussion, negotiation and agreement.
- 11.2 A party must not commence any proceedings in connection with a Dispute unless at least 40 days have elapsed since the issue of a corresponding Dispute Notice, and that party has used reasonable endeavours to comply with this clause 10.1. However, nothing in this clause will prevent either party from seeking urgent interim relief from a court (or other tribunal) of competent jurisdiction.

12 CONTACT PERSONS

- 12.1 All matters or enquiries regarding this Agreement will be directed to each party's Contact Person (set out in the Key Details).
- 12.2 Each party may from time to time change the person designated as its Contact Person on 10 Business Days' written notice to the other Party.

13 GENERAL

- 13.1 Each notice or other communication given under this Agreement (each a notice) will be in writing and delivered personally or sent by post or email to the address of the relevant party set out in the Key Details or to any other address from time to time designated for that purpose by at least 10 Business Days' prior written notice to the other party. A notice under this Agreement is deemed to be received if:

- (a) **Delivery:** delivered personally, when delivered;
- (b) **Post:** posted, 5 Business Days after posting or, in the case of international post, 7 Business Days after posting; and
- (c) **Email:** sent by email:
 - (i) If sent between the hours of 9am and 5pm (local time) on a Business Day, at the time of transmission; or
 - (ii) If subclause (i) does not apply, at 9am (local time) on the Business Day most immediately after the time of sending,

provided that an email is not deemed received unless (if receipt is disputed) the party giving notice produces a printed copy of the email which evidences that the email was sent to the email address of the party given notice.

- 13.2 The Recipient agrees to execute and deliver any documents and to do all things as may be required by the Ministry to obtain the full benefit of this Agreement according to its true intent.

- 13.3 No legal partnership, employer-employee, principal-agent or joint venture relationship is created or evidenced by this Agreement.
- 13.4 This Agreement constitutes the sole and entire understanding with respect to the subject matter hereof and supersedes all prior discussions, representations and understandings, written or oral.
- 13.5 No amendment to this Agreement will be effective unless agreed in writing and signed by both parties.
- 13.6 The Recipient may not assign or transfer any of its contractual rights or obligations under this Agreement, except with the Ministry's prior written approval.
- 13.7 The Ministry may assign or transfer any of its contractual rights or obligations under this Agreement without the Recipient's prior approval. The Ministry may at any time disclose to a proposed assignee or transferee any information which relates to, or was provided in connection with, the Recipient, the Project or this Agreement.
- 13.8 No failure, delay or indulgence by any party in exercising any power or right conferred on that party by this Agreement shall operate as a waiver. A single exercise of any of those powers or rights does not preclude further exercises of those powers or rights or the exercise of any other powers or rights.
- 13.9 The exercise by a party of any express right set out in this Agreement is without prejudice to any other rights, powers or remedies available to a party in contract, at law or in equity, including any rights, powers or remedies which would be available if the express rights were not set out in this Agreement.
- 13.10 This Agreement is not intended to confer any benefit on or create any obligation enforceable at the suit of any person not a party to this Agreement.
- 13.11 Any provision of this Agreement that is invalid or unenforceable will be deemed deleted, and will not affect the other provisions of this Agreement, all of which remain in force to the extent permitted by law, subject to any modifications made necessary by the deletion of the invalid or unenforceable provision.
- 13.12 This Agreement is to be governed by the laws of New Zealand, and the parties submit to the non-exclusive jurisdiction of the courts of New Zealand.
- 13.13 This Agreement may be executed in any number of counterparts (including scanned and emailed copies). So long as each party has received a counterpart signed by each of the other parties, the counterparts together shall constitute a binding and enforceable agreement.

END OF PART 2

PART 3: DEFINITIONS AND CONSTRUCTION

Defined terms

In this Agreement, unless the context requires otherwise:

Agreement means this agreement including Parts 1, 2 and 3 and Schedule 1 (and any other annexures or attachments).

Approved Contractor means an “Approved Contractor” specified in the Key Details.

Best Industry Practice means that degree of skill, care and foresight and operating practice that would reasonably and ordinarily be expected of a skilled and competent supplier of services engaged in the same type of undertaking as that of the Recipient or any contractors (as applicable) under the same or similar circumstances as those contemplated by this Agreement.

Business Day means any day other than a Saturday, Sunday or public holiday within the meaning of section 44 of the Holidays Act 2003.

Co-Funding means the “Co-Funding” (if any) or any part of the Co-Funding (as the context requires), described in the Key Details.

Commencement Date has the meaning given in clause 6.1 of Part 2.

Confidential Information of a party (*Owner*), means any information in the possession or control of another party (*Holder*) that:

- (a) was originally acquired by the Holder in connection with this Agreement through disclosures made by or at the request of the Owner; and/or
- (b) was originally acquired by the Holder in connection with this Agreement through any access to, or viewing, inspection or evaluation of, the premises, facilities, documents, systems or other assets owned or controlled by the Owner; and/or
- (c) is derived from information of a kind described in paragraph (a) or (b) above;

but excludes any information which the Holder can show:

- (d) was lawfully acquired by the Holder, entirely independently of its activities in connection with this Agreement, and is free of any other obligation of confidence owed to the Owner; and/or
- (e) has been independently developed by the Holder without reference to the Owner’s Confidential Information, and without breaching any other obligation of confidence owed to the Owner.

Notwithstanding the foregoing, the terms of this Agreement are Confidential Information of which each Party is both an Owner and a Holder.

Conflict of Interest means any matter, circumstance, interest or activity of the Recipient, its personnel or contractors, or any other person with whom the Recipient has a relationship that:

- (a) conflicts with:
 - (i) the obligations of the Recipient (or its personnel or contractors) to the Ministry under this Agreement; or



- (ii) the interests of the Recipient in relation to this Agreement and/or the procuring of the Project; or
- (b) otherwise impairs or might appear to impair the ability of the Recipient (or any of its personnel or contractors) to diligently and independently carry out the Project in accordance with this Agreement.

Eligible Costs means the actual costs reasonably incurred by the Recipient:

- (a) on or after the Funding Start Date and no later than the End Date;
- (b) in good faith for the purpose of carrying out the Project or for purposes incidental to the Project, including all internal costs, disbursements and expenses incurred by the Recipient for such purposes (and to the extent the Recipient is carrying out any other activities) reasonably and proportionately allocated towards such purposes; and
- (c) to the extent that the expenditure relates to work performed by parties not at "arm's length", that expenditure is assessed at reasonable market value, and contains no unacceptable overhead and no element of "in group profit".

End Date means the "End Date" specified in the Key Details.

Funding means the funding or any part of the funding (as the context requires) payable by the Ministry to the Recipient in accordance with the terms of this Agreement, as described in the Key Details.

Funding Start Date means the "Funding Start Date" specified in the Key Details.

Key Details means Part 1 of this Agreement.

Key Personnel means the "Key Personnel" specified in the Key Details.

Objectives means each of the following:

- (a) jobs and sustainable economic development;
- (b) social inclusion and participation;
- (c) Māori development;
- (d) Climate change commitments and environmental sustainability; and
- (e) increasing the resilience of the regional and national economy through critical infrastructure and diversification of New Zealand's economy.

Payment Request means a request submitted to the Ministry by the Recipient seeking payment of Funding substantially in the form set out in the Schedule to this Agreement.

Project means the "Project" described in the Key Details.

Project Deliverable means a deliverable to be provided by the Recipient to the Ministry, as set out in the Key Details.

Recipient means the Recipient specified in the Key Details.



Termination Event means any one or more of the events or circumstances set out in clause 6.3.

Construction

In the construction of this Agreement, unless the context requires otherwise:

Currency: a reference to any monetary amount is to New Zealand currency;

Defined Terms: words or phrases appearing in this Agreement with capitalised initial letters are defined terms and have the meanings given to them in this Agreement;

Documents: a reference to any document, including this Agreement, includes a reference to that document as amended or replaced from time to time;

Inclusions: a reference to “includes” is a reference to “includes without limitation”, and “include”, “included” and “including” have corresponding meanings;

Joint and Several Liability: any provision of this Agreement to be performed or observed by two or more persons binds those persons jointly and severally;

Parties: a reference to a party to this Agreement or any other document includes that party's personal representatives/successors and permitted assigns;

Person: a reference to a person includes a corporation sole and also a body of persons, whether corporate or unincorporate;

Precedence: if there is any conflict between the different parts of this Agreement, then unless specifically stated otherwise, Part 2 will prevail over the Key Details, and the Key Details will prevail over any Attachments;

Related Terms: where a word or expression is defined in this Agreement, other parts of speech and grammatical forms of that word or expression have corresponding meanings;

Statutes and Regulations: a reference to an enactment or any regulations is a reference to that enactment or those regulations as amended, or to any enactment or regulations substituted for that enactment or those regulations;

Writing: a reference to “written” or “in writing” includes email and any commonly used electronic document format such as .DOC or .PDF.

END OF PART 3



Schedule: Payment Request

To: MINISTRY OF BUSINESS, INNOVATION AND EMPLOYMENT

Dated: [•]

PAYMENT REQUEST NO. [•]

1. We refer to the Funding Agreement dated [•] and agreement number [•] between [•] as recipient (**Recipient**) and The Sovereign in right of New Zealand, acting by and through the Chief Executive of the Ministry of Business, Innovation and Employment (**Ministry**) (**the Agreement**). Terms defined in the Agreement have the same meaning in this Payment Request.
2. This is a Payment Request for the purpose of clause 1.3 of the Agreement.
3. The Project Deliverables which are the subject of this Payment Request are:

[insert description of Project Deliverables].
4. The amount of Funding requested is \$[•] plus GST if any.
5. Invoices/statements and accounts evidencing the Eligible Costs incurred are attached.

**Note that for any Eligible Costs that are more than \$1,000 (on an individual basis or when grouped by supplier or subject matter) a copy of the original invoices received from third parties in relation to the Eligible Costs must be provided.*

6. That each of the items referred to in paragraph 5 are Eligible Costs for the purpose of the Agreement have been paid or are currently due and payable.
7. Co-Funding will be used to meet the following Eligible Costs that have been incurred by us:

[include breakdown description of Eligible Costs that Co-Funding will meet]
8. *[Include valid GST invoice if relevant]*.
9. We confirm that:
 - (a) no Termination Event is subsisting; and
 - (b) each of the warranties set out in the Agreement are correct as at the date of this Payment Request.

Except to the extent otherwise agreed in writing by the Ministry, all those items forming part of the Eligible Costs identified in any previous Payment Request as due or becoming due and payable, have been paid in full.

By and on behalf of the Recipient by

[insert name of Recipient]



Position: Director

Authorised Officer

