



**SIMPSON GRIERSON**  
LAW

4 October 1999

Partner Reference  
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For: Ted Maguire

**Ability to Contribute to "Economic Development Proposal"**

We refer to your facsimile of 4 October 1999 asking us to answer the following two questions:

1. Is the Wellington Regional Council ("WRC") lawfully able, under the Local Government Act 1974 ("LGA") to contribute \$350,000 to any other organisation for the purposes of economic development of the region?
2. Are there any other options which the WRC may lawfully pursue to achieve the same effect if the answer to question one is no?

**Answers**

1. The economic development proposal as described has as its dominant objective the development of business connections and trade and it is our opinion that the WRC is not lawfully able to contribute \$350,000 to a proposal in those terms. Channelling the WRC's contribution through another organisation would not make a lawful application of its funds.
2. We have not found a lawful option for precisely the proposal described (other than by way of explicit legislative enactment). However, the following options would be lawful:
  - (i) if the proposal can be refined to being primarily concerned with tourism promotion then, providing that WRC has the support of the territorial

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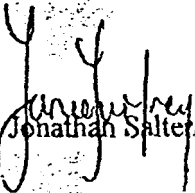
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authorities to engage in the promotion of tourism, it would be lawful for WRC itself to contribute the money.

- (ii) The WRC could sell some of its CentrePort shares and use the proceeds of that sale to establish a community trust under section 225 of the LGA, with the trust deed being wide enough to include economic development.
- (iii) CentrePort Limited may make the financial contribution to the economic development proposal. CentrePort clearly has a direct interest in the economic growth in the region and on that basis may contribute.

We hope this is of assistance. Please do not hesitate to contact us if you have any further queries.

Yours faithfully  
SIMPSON GRIERSON

  
Jonathan Salter/Tania Turfrey