



STRATEGIC PARTNERSHIP OPERATING AGREEMENT

Between **Victoria University of Wellington**, being a body corporate established under the Victoria University of Wellington Act 1961 whose principal place of business is at Kelburn Parade, Wellington (hereinafter referred to as "VUW").

And **Victoria University of Wellington Students' Association Te Ropu Taura o te Kura Wananga o te Upoko te Ika a Maui Incorporated**, being an incorporated society under the Incorporated Societies Act 1908 whose place of business is at Kelburn Parade, Wellington (hereinafter referred to as "VUWSA").

1. BACKGROUND

- 1.1. VUW, VUWSA, and the VUWSA Trust have entered into a Deed of Strategic Partnership (the "Deed") a copy of which is attached as Appendix A.
- 1.2. In accordance with the Deed, this Agreement sets out the terms under which the Joint Student Union Board ("JSUB") will operate and give effect to the Deed.

2. INTERPRETATION

- 2.1. All capitalised words in this Agreement shall, if defined in the Deed, have the same meaning in this Agreement as in the Deed.

3. TERM

- 3.1. Subject to clause 10, this Agreement will come into force on the date of execution and will remain in force unless terminated by the mutual agreement of VUW and VUWSA.

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4. RESPONSIBILITIES OF THE JOINT STUDENT UNION BOARD

4.1. The primary functions of the JSUB are to:

- (i) govern the Services;
- (ii) determine the use of the space in the Student Union Building ("SUB") and Salamanca Road Tennis Pavilion; and
- (iii) advise VUW in respect of Campus Centre issues.

4.2. In carrying out its functions, the JSUB will:

- (i) develop a triennial strategic plan in consultation with interested parties;
- (ii) develop an annual operating plan in consultation with interested parties, and monitor its implementation;
- (iii) develop any policies to enable the JSUB to effectively govern the Services;
- (iv) provide advice, support and guidance to the Student Union Manager; and
- (v) maintain awareness of the policies and priorities of VUW and VUWSA, and the views of the users of the Services, and use that knowledge to inform its work ;and
- (vi) monitor and review the implementation of its decisions.

4.3 The JSUB will formally report annually, by 28 February, on performance against the previous year's operating plan to the VUWSA Executive, the VUWSA Trust and to the Vice Chancellor of VUW, who will report to the VUW Council.

5. DELIVERY AND MANAGEMENT OF THE SERVICES

5.1. Subject to clause 5.3, the Services will be managed and delivered by or through VUW in accordance with the annual operating plan. The JSUB will be consulted by VUW on any substantial changes to the management and delivery of the Services.

5.2. The Student Union Manager will:

- (i) implement the annual operating plan;
- (ii) implement decisions of the JSUB;
- (iii) support the JSUB to carry out its functions including, the development and review of policies and strategic and operating plans;
- (iv) report to the JSUB on progress towards the operating plan, compliance with policies and other relevant matters (including monthly financial reports and quarterly service level reports, unless otherwise agreed by the JSUB);
- (v) inform the JSUB of any issues that may impact materially on the delivery of the Services and allocation of space in the SUB and the Tennis Pavilion; and
- (vi) attend JSUB meetings, on a non-voting basis.

5.3. From time to time, the JSUB may contract an organisation to provide it with specialist advice, or to review the performance of the delivery of the Services.

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6. OPERATING GUIDELINES

- 6.1. The Student Union Manager is an employee of VUW but the JSUB will be represented on any appointment panel for the position and involved in formal performance reviews.
- 6.2. The JSUB will comply with any legislative, regulatory and contractual requirements which apply to its activities.
- 6.3. The quorum of the JSUB is the two members appointed by VUW, the member appointed by VUWSA and the member appointed by the VUWSA Trust. If the chairperson is not in attendance, they will agree a chairperson for that meeting.
- 6.4. The JSUB may establish any meeting procedures and a governance framework which is consistent with the terms of this Agreement and the SPA.
- 6.5. The JSUB shall meet at least four times each year.

7. FUNDING OF THE SERVICES

- 7.1. The Services governed by the JSUB will be accounted for as a separate cost centre by VUW, including all income and expenses, as well as the operating, maintenance, depreciation and other costs related to the facilities within the SUC, and capital expenditure.
- 7.2. The Services will be funded through various sources including, the Student Amenities Levy, VUW contributions, VUWSA contributions, and rental income from the SUB. Unless otherwise agreed and subject to clause 7.4, VUW and VUWSA will meet 50% each of any net operating deficit, which is defined as the Student Amenities Levy and commercial revenues less total direct expenses including depreciation.
- 7.3. The JSUB will develop its annual budget (as part of its annual operating plan) to work in with the VUW and VUWSA budgeting processes. Subject to clause 7.4, VUW and VUWSA will annually commit resources at a defined level for the next calendar year, which shall be binding, unless it is changed by the JSUB. The strategic plan will set indicative resourcing for future years, but it will not be binding upon VUW and VUWSA.
- 7.4. VUWSA's budget contribution in the 2007 calendar year will be set at \$175,000.
- 7.5. The JSUB will examine ways in which capital expenditure, depreciation and related matters could be funded and accounted for by the Parties in time for that to be considered as part of its review (as provided in clause 9 of this Agreement).
- 7.6. The management of the annual budget will be delegated to the Student Union Manager. The JSUB will set a policy on how budget variations will be managed and reported.



7.7. VUW and VUWSA agree that their objective is that the JSUB cost centre will break even in operating terms but that a surplus or deficit of no more than 10% of the annual net operating deficit may be carried forward as an accumulated surplus or deficit.

7.8. Unless otherwise agreed, VUW will be the legal owner of any assets which form part of the SUC.

8. DECISION MAKING PROCESS

8.1. Subject to clause 8.2, the JSUB will make decisions by consensus wherever possible and then by simple majority.

8.2. Any change to the allocation of space in the SUB which, at the date of this Agreement, is legally occupied by VUWSA or its associated bodies may only be made by a 4/5 majority of the JSUB. That space is marked on the floor plans contained in Appendix B and includes the VUWSA office, Ngai Taurira office, Clubs Mailroom, Women's space, Activities Room/Foodbank, and the Salient office.

8.3. The chairperson will have a deliberative but not a casting vote.

9. REVIEW

9.1. At the end of the first year, the JSUB will prepare a report for consideration by the Parties on its operations and any issues arising under this Agreement or the Deed. The Parties will then consider whether any changes need to be negotiated to this Agreement or the Deed.

10. TERMINATION

10.1 Subject to clause 10.2, each Party shall have the right at any time, by giving three months written notice to the other Party, to terminate this Agreement:

10.1.1 if either of the Parties commits a significant breach of the provisions of this Agreement which, if capable of remedy, is not remedied within twenty eight (28) days of a request from the other Party to do so; or

10.1.2 if either of the Parties commits a significant breach of this Agreement that is incapable of remedy; or

10.1.3 if either of the Parties is dissolved or goes into liquidation or anything analogous to the above.

10.2 No Party shall terminate this Agreement unless it has first mediated in accordance with clauses 11.1 to 11.2 inclusive.

11. DISPUTE RESOLUTION

11.1. The Parties agree to use their best endeavours to resolve through good faith negotiations any dispute that may arise under this Agreement.

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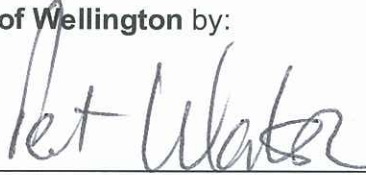
11.2. If the Parties have not been able to resolve the dispute in accordance with clause 11.1, then the Parties must mediate the dispute in accordance with the mediation rules of LEADR New Zealand Inc. and the Chair of LEADR (or nominee) will select the mediator and determine the mediator's remuneration. Unless otherwise agreed by the Parties, the place of mediation shall be Wellington, New Zealand.

11.3. If the dispute is not settled by mediation, unless both parties agree otherwise in writing, the matter will be referred to arbitration in accordance with the Arbitration Act 1996. The arbitration shall be conducted by a sole arbitrator agreed between the parties or in default of agreement, by an arbitrator appointed by the President of the New Zealand Law Society (or nominee). The decision of the arbitration shall be final and legally binding.

11.4. The parties shall continue to perform their obligations under this Agreement as far as possible as if no dispute had arisen pending the final settlement of any matter referred to mediation or arbitration.

Signed for and on behalf of
Victoria University of Wellington by:

Signature:



Date:

21/9/06

Name: Pat Walsh

Position: Vice Chancellor

Signed for and on behalf of
Victoria University of Wellington Students' Association by:

Signature:



Date:

21.9.06

Name: Nick Kelly

Position: President