

Part Four – Funding and Financial Policies

POLICY ON “SIGNIFICANCE”

PURPOSE

All decisions the Wairoa District Council makes must be made in accordance with the decision-making requirements of the Local Government Act 2002 (set out in sections 76-81). Council must make judgments about the appropriate level of compliance with those requirements, largely in proportion to the ‘significance’ of the matters affected by the decision (section 79 of the Act).

The level of compliance with the decision-making requirements in the Act includes (section 79(1)(b)):

- The extent to which different options are to be identified and assessed
- The degree to which benefits and costs are to be quantified
- The extent and detail of the information to be considered
- The extent and nature of any written records kept as to compliance.

If a decision is determined to be ‘significant’ in accordance with the general approach, thresholds, criteria and procedures set out in this policy, a higher standard of compliance is required.

The significance of any issue, proposal, or other matter requiring a decision will also assist in determining whether a special round of consultation is required, and how much information Council needs to provide.

DEFINITIONS

Section 5 of the Local Government Act 2002 defines ‘*significance*’, ‘*significant*’ and ‘*strategic asset*’ as follows:

significance, *in relation to any issue, proposal, decision, or other matter that concerns or is before a local authority, means the degree of importance of the issue, proposal, decision, or matter, as assessed by the local authority, in terms of its likely impact on, and likely consequences for:*

- (a) *the current and future social, economic, environmental and cultural well-being of the district or region.*
- (b) *any persons who are likely to be particularly affected by, or interested in, the issue, proposal, decision, or matter:*
- (c) *the capacity of the local authority to perform its role, and the financial and other costs of doing so.*

significant, *in relation to any issue, proposal, decision, or other matter, means that the issue, proposal, decision, or other matter has a high degree of significance.*

strategic asset, *in relation to the assets held by a local authority, means an asset or group of assets that the local authority needs to retain if the local authority is to maintain the local authority’s capacity to achieve or promote any outcome that the local authority determines to be important to the current or future well-being of the community; and includes:*

- (a) *any asset or group of assets listed in accordance with section 90(2) by the local authority; and*
- (b) *any land or building owned by the local authority and required to maintain the local authority’s capacity to provide affordable housing as part of its social policy; and*
- (c) *any equity securities held by the local authority in-*
 - (i) *a port company within the meaning of the Port Companies Act 1988:*
 - (ii) *an airport company within the meaning of the Airport Authorities Act 1966*

Part Four – Funding and Financial Policies

GENERAL APPROACH

In accordance with the definitions set out above, Council, in determining whether an issue, proposal, or other matter requiring a decision is of significance, will consider the likely impact of that decision on:

- the social, cultural, economic and environmental well-being of the district, now and in the future
- the ability of Council to achieve its strategic objectives as set out in the Draft Community Plan
- the capacity of Council to perform its role and carry out its services or activities and the cost of doing so, now and in the future
- any persons who are likely to be affected or particularly interested in the issue, proposal, or matter.

In determining whether any issue, proposal, or other matter requiring decision is of significance, Council will also consider the thresholds and apply the criteria and procedures set out below.

THRESHOLDS

When undertaking a process to determine whether an issue, proposal, or other matter is significant Council will apply the following thresholds:

- any transfer of ownership or control, or the disposal or abandonment of a strategic asset in its entirety
- the loss of Council control of any Council-Controlled Trading Organisation
- a decision that will, directly or indirectly, severely affect the capacity (including financial capacity) of Council to carry out any activity identified in the Draft Community Plan
- entry into any partnership with the private sector to carry out a significant activity.

Where any issue, proposal, or other matter requiring a decision triggers one or more of the above thresholds, it will be considered against the criteria set out in the following section in determining whether or not it is significant.

CRITERIA

In considering whether any issue, proposal, or other matter requiring decision is significant the following criteria will be used:

- the issue, proposal, or other matter affects all or a large portion of the community in a way that Council considers is not inconsequential
- the impact or consequences of the issue, proposal, or other matter on the affected persons will, in Council's view, be substantial
- the financial implications of the issue, proposal, or other matter for Council's overall resources are, in Council's view, substantial
- the issue, proposal, or other matter has the potential to, in the view of Council, generate considerable public controversy.

PROCEDURE

In achieving this policy the following procedure will be applied:

- Where any issue, proposal or other matter triggers one or more of the thresholds set out in this policy the Chief Executive will report the matter to Council.
- Each report will include a statement indicating that the issue, proposal or other matter has been considered in regard to Council's policy on significance. The report will include an assessment of the degree of significance of the issue, proposal, or other matter based on the criteria outlined in of this policy, and make a recommendation to Council.
- If the issue, proposal, or other matter is considered to be significant, the report to Council will also include a statement addressing how appropriate compliance with sections 77 – 82 of the Local Government Act 2002 will be achieved.
- Council will report annually in its Annual Report on all issues, proposals, or other matters determined to be significant, and subject to the procedure outlined in sections 76, 77, 78, 80 & 81 of the Local Government Act 2002 as appropriate.

Part Four – Funding and Financial Policies

STRATEGIC ASSETS

In accordance with section 90(2) of the Local Government Act 2002 the Wairoa District Council considers the following assets to be strategic:

- Wastewater Network and Treatment facilities in their entirety
- Rooding Network in its entirety
- Stormwater Network in its entirety
- Water Supply Network in its entirety
- Wairoa Landfill
- Parks and reserves and open spaces managed as reserves of district importance
- The land and buildings owned by Council and required to maintain Council's capacity to provide affordable housing as part of its social policy.

Council considers each group of assets listed above to be, in its entirety, a strategic asset. An issue, proposal, or other matter relating to a group of assets will not be considered significant unless it concerns the whole group of assets and not an individual component, unless the issue, proposal, or other matter regarding an individual component is considered significant in terms of this policy.

QUALIFICATION

Council may elect not to consult on an issue, proposal, or other matter requiring a decision considered significant in terms of this policy if that issue, proposal, or other matter is still subject, at a future date, to statutory processes such as those set out in the Resource Management Act or Reserves Act and after taking into account the financial implications of consulting on the matter.