

**Appendix Two**  
Confirmation of required policies and statements

# Significance Policy

## 1 INTRODUCTION

1.1 This Significance Policy outlines the Council's general approach to determining the significance of proposals and decisions, and includes procedures, criteria and thresholds the Council will use in assessing the significance of issues, proposals, decisions and other matters, and which are significant (ie have a high degree of significance).

1.2 It also lists assets, and groups of assets, the Council has determined are strategic assets.

## 2 STATUTORY CONTEXT

2.1 The Council is required to have a policy on significance under section 90 of the Local Government Act 2002 (the Act).

### DEFINITIONS

2.2 Section 5 of the Act defines 'significant' and 'significance' 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, or 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.

### RELEVANCE OF SIGNIFICANCE TO DECISION-MAKING

2.3 Council decision-making must meet the requirements of sections 77 (the identification and assessment of options for meeting the objective of a decision), 78 (taking into account community views), 80 (identification of inconsistent decisions), 81 (contributions to decision-making processes by Maori) and 82 (consultation processes).

2.4 The assessment of the significance of a decision will help the Council determine the appropriate nature, extent and degree of compliance required with the decision-making processes in those sections. (See section 79 of the Act.)

2.5 In essence, the more significant the issue the higher the standard of compliance required. For significant decisions, the Council must ensure appropriate compliance with the decision-making requirements in the Act.

2.6 The significance of a matter will also guide the local authority's decisions on how it best discharges its responsibility to give consideration to community views. If consultation is undertaken, the significance of the decision will help determine the nature of the consultation.

2.7 It is helpful to bear in mind that the references to 'significance' in the Act are intended to ensure that appropriate attention and consideration is given to matters based on their relative importance to the district or region.

2.8 Significance will also be relevant to determine whether a decision would:

2.8.1 significantly alter the intended level of service provision for any significant activity (including a decision to commence or cease such activity);

2.8.2 significantly affect the capacity of the council, or the cost to the council, in relation to any activity in the LTCCP;

2.8.3 alter the mode by which a significant activity is undertaken.

2.9 Any decision to transfer ownership or control of a strategic asset, or a decision to construct, replace or abandon a strategic asset, cannot be made unless it has first been included in the LTCCP, and in a statement of proposal relating to the Council Plan.

2.10 It needs to be noted that if a decision is not significant (ie does not have a high degree of significance), it does not mean it is unimportant and that the decision-making requirements of the Act do not apply.

### **3 GENERAL APPROACH**

3.1 The Council will consider each proposal or decision on a case by case basis to consider its significance and to determine whether it is significant.

3.2 In considering significance the Council will apply the thresholds and criteria set out in this Policy, to the overall assessment of the proposal, established from its assessment of the likely impact/consequences for:

3.2.1 the proposal or decision on the current and future social, economic, environmental, or cultural well-being of the community;

3.2.2 any parties who are likely to be particularly affected by or interested in the proposal or decision;

3.2.3 the capacity of the Council to perform its role and financial and non-financial costs and implications of the proposal or decision.

3.3 In undertaking its assessment of a proposal or decision the Council will take into account views already expressed by persons affected.

3.4 Council will also take into account circumstances under which a decision is taken and what opportunities there are to consider options and the views and preferences of other people. Where failure to make a decision urgently could result in the loss of an opportunity which could contribute to achieving the outcomes being sought by Council, then Council will tailor its decision processes as much as practicable to achieve the timeline required.

3.5 Depending on the decision, Council may need to also determine whether the proposal or decision is one that involves a significant activity. This Policy sets out Council's approach for identifying significant activities.

3.6 Before considering the application of thresholds, criteria and procedures there will be a check that the issue under consideration:

3.6.1 has not already been included in the LTCCP; or

3.6.2 is not already the subject of a Council resolution or is covered by an existing Council policy.

## **4 THRESHOLDS, CRITERIA AND PROCEDURES**

### **THRESHOLDS**

4.1 The financial impacts of a decision will be an initial indicator of its significance, and whether a decision is significant.

Financial impact is defined below.

4.2 However, the financial threshold is not an absolute measure that a proposal is significant. That is:

4.2.1 A matter which does not meet the financial threshold may still be significant if, after assessment under the criteria below, the decision is still assessed as having a high degree of significance; or

4.2.2 a decision which exceeds the financial threshold may not necessarily be significant, if after consideration of the criteria below the Council determines that the matter does not have a high degree of significance.

### ***Proposal or Decision Threshold***

4.3 Financial impact – any decision which exceeds 10 per cent of total rates revenue in any year or years to which the proposal or decision relates.

4.4 Financial impact includes any of operating expenditure, capital expenditure and/or revenue relating to the proposal or decision during the timeframe of the LTCCP.

### **CRITERIA – GENERAL**

4.5 A proposal or decision will also be assessed against the following criteria:

4.5.1 whether the proposal or decision materially affects all or a large portion of the community;

4.5.2 whether the impact or consequences of the proposal or decision on the affected persons (being a number of persons) will be substantial;

4.5.3 whether the financial implications of the decision on Council's overall resources, and ability to deliver, are substantial;

4.5.4 whether the issue, proposal, decision or other matter has a history of wide public interest in the community or is likely to generate considerable public controversy;

4.5.5 whether it is a decision required to preserve or maintain Council's position in existing investments (in particular strategic assets) and is in accordance with the Council's investment policy;

4.5.6 whether the proposal or decision maintains the substance of service delivery, and whether the mode of delivery changes;

4.5.7 whether Council maintains the effective ownership of the asset at the same or similar level and maintains direct or indirect control of the asset;

4.5.8 whether the proposal or decision is contemplated by Council's liability and investment policies, and is to be given effect to in accordance with those policies.

4.6 A high level of significance on one or more of the criteria may or may not result in the decision itself as having a high degree of significance (ie being significant). Further, if a proposal or decision flows logically from existing policies or a decision(s) in the LTCCP, it would indicate that the decision is not significant.

#### **CRITERIA – FOR THE IDENTIFICATION OF SIGNIFICANT ACTIVITIES**

4.7 The Act refers to 'significant activity' in:

4.7.1 section 88 – alteration in the mode by which a 'significant activity' is undertaken (what comprises 'the alteration in the mode' is defined in section 88(2));

4.7.2 section 97(1)(a) – to significantly alter the intended level of service provision for any 'significant activity' (including a decision to commence or cease service provision of such an activity).

4.8 Council has identified seven strategies that are aligned with the 4 well-beings under the Act. Under each strategy<sup>1</sup>, Council has identified the activities that contribute to the strategy. These group the specific projects that will be undertaken under the 3 year life of the LTCCP to support and give effect to the activity.

4.9 When determining whether an activity is a 'significant activity', Council ;

4.9.1 will generally consider the whole of the activity (not the specific projects) because it is the activity as a whole that delivers the service and contributes to the seven strategies (rather than the specific projects);

4.9.2 will use the thresholds in this Policy to determine the significance of an activity (when it applies the financial threshold it will consider the budgeted financial expenditure for the activity as a whole);

4.9.3 will consider whether any new project will change an activity from being not significant to significant, in which case s97(1)(a) will apply.

4.10 If Council determines that an activity is a 'significant activity', Council will:

4.10.1 determine whether the proposal comprises an 'alteration in the mode' by which it is undertaken by reference to section 88(2); and/ or

4.10.2 determine whether the proposal will significantly alter the intended level of service provision, through reference to the thresholds and criteria above.

4.11 For example:

4.11.1 The provision of landfills is a significant activity in the LTCCP. The decision to close the Northern landfill was not a decision under s97(1)(a) as the Northern landfill was itself not a significant activity, and further the operation of the landfills activity (as a whole) will be undertaken in a way that ensures that landfill services undertaken by the Council are not significantly altered.

4.11.2 The provision of library services as a whole is a significant activity, however the specific projects that make up the activity (eg branch libraries) are not a significant activity. If any change to any particular project is to be considered, it will be assessed as to whether it significantly alters the level of service offered by the library service as a whole.

4.11.3 A proposal to commence a significant activity (in financial terms), may change an existing activity with low or moderate significance into a significant one.

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<sup>1</sup> The seven strategies are outlined in Volume One of this plan.

## PROCEDURES

- 4.12 Every report to the Council or a Council committee must include a statement indicating that the issue of significance has been considered in relation to the general approach, thresholds and criteria in this Policy.
- 4.13 Where the financial threshold is triggered, the report will specifically address the consideration of significance under the Policy, and assessment of the degree of significance with a recommendation to Council.
- 4.14 For any proposal or decision which is considered significant, the report will specifically address sections 77, 78, 80, 81 and 82 of the Act (as are applicable).
- 4.15 In all circumstances, Council is the decision-making body for significant decisions. These powers may be delegated to standing committees according to a defined set of criteria and, in relation to significant decisions, those committees will act within delegated authority at all times.

## 5 STRATEGIC ASSETS

5.1 Section 5 of the Act defines 'strategic asset' as follows:

**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.

5.2 The Act (section 97) requires that certain decisions about strategic assets can only be taken if the decision is explicitly provided for by a statement of proposal in the LTCCP or an amendment to it. This applies particularly to decisions to transfer the ownership or control of a strategic asset to or from the Council, or a decision to construct, replace or abandon a strategic asset.

### List of strategic assets

5.3 Strategic assets are only those assets, or those groups of assets, which are considered to have a high degree of significance in ensuring the capacity of the Council to achieve or promote activities important to the current and future wellbeing of the community. A number of important Council services and activities utilise Council assets or groups of assets. However even for important services or activities, the assets involved may not be listed as strategic where it is not essential for the Council to own that asset in order to deliver the service or provide the activity.

5.4 The Council considers each asset or group of assets in table 1 to be, in its entirety, a strategic asset. This is because the asset/ group of assets as a whole contributes to the Council's capacity to achieve and promote Council's outcomes associated with each of Council's seven strategies.

## WHERE A PROPOSAL OR DECISION IS DEALING WITH PART ONLY OF A GROUP OF ASSETS LISTED AND MANAGEMENT OF STRATEGIC ASSETS

5.5 Where Council is making a decision which relates to only a part of a group of assets listed as strategic (that is, an individual component and not every single element of the group of assets) and the decision will not affect

the overall strategic nature and ability of the remaining assets in the group to meet the intended Council outcome, that part of the group of assets on its own shall not be regarded as a strategic asset.

5.6 Without limiting the application of this provision to other group assets, the following examples of the application of the Policy to group assets are given:

5.6.1 water supply network assets, means those group assets as a whole and not each individual pipeline, reservoir, and pump station. The Council does not consider that addition or deletion of parts of that group asset (being a part of the group asset as a whole) will affect the overall group assets strategic nature.

5.6.2 Roading and reserve assets (respectively) means those group assets as a whole. Therefore if the Council acquires land for a new road (or the formed road itself) or new reserve lands as a result of subdivision, these additions are part of the day to day business of managing the roading and reserves assets.

5.6.3 decisions that involve the transfer of ownership or control of an element of a group strategic asset where the remaining assets of the group enable Council to still meet its strategic outcome, will not on their own be regarded as a strategic asset. Examples include:

- decisions to facilitate the development of the Waterfront in accordance with the Waterfront Framework (April 2001) or other similar policy for the Waterfront;
- disposal of former road provided that the Council has followed the road stopping processes under the LGA;
- disposal of individual reserves provided that the Council has followed the procedures in the Reserves Act 1977.

5.7 The listing of the Council brand (Absolutely Positively Wellington) applies to the brand in its entirety. When Council is dealing with activities that support the brand (such as the logo) those elements are not strategic assets in themselves. Therefore the decisions the Council makes to manage the brand (for example: allowing a third party to use the logo; to develop an associated brand; or to update and enhance the logo) will not be affected by the requirements of section 97.

**STRATEGIC ASSETS – TABLE 1**

| ASSET                                                                                                                                                                                    | STRATEGY AREA         |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|
| <b>Part A – Assets council owns that are strategic assets under section 5 of the act</b>                                                                                                 |                       |
| Equity in Wellington International Airport Limited.                                                                                                                                      | Economic Development  |
| The public rental housing assets held by Council required to maintain affordable housing as part of its social policy (as a whole).                                                      | Social and Recreation |
| <b>Part B – Assets council has determined to be strategic assets and those that are strategic group assets, which may be dealt with as provided in paragraphs 5.4 and 5.5 above.</b>     |                       |
| Waterfront land and assets as a whole held on trust by Wellington Waterfront Limited for Council.                                                                                        | Urban Development     |
| The community centres network as a whole.                                                                                                                                                | Social and Recreation |
| The public rental housing stock as a whole.                                                                                                                                              | Social and Recreation |
| All cemeteries.                                                                                                                                                                          | Social and Recreation |
| Swimming Pool facilities as a whole.                                                                                                                                                     | Social and Recreation |
| The library network as a whole (excluding the buildings).                                                                                                                                | Social and Recreation |
| City Archives.                                                                                                                                                                           | Cultural Wellbeing    |
| Artwork collection (including public art) as a whole.                                                                                                                                    | Cultural Wellbeing    |
| The buildings and collections of the Museum of City and Sea, City Gallery, Plimmer's Ark Gallery, Colonial Cottage Museum and Wellington Cable Car Museum.                               | Cultural Wellbeing    |
| The Town Hall and Convention Centre complex as a whole.                                                                                                                                  | Economic Development  |
| Reserves lands as a whole, including the Town Belt, land held under the Reserves Act and land used for parks, gardens, sports fields and recreational areas.                             | Environmental         |
| The sewage collection, treatment and disposal system as a whole, including the sewer network, pump stations and treatment works.                                                         | Environmental         |
| The land drainage system as a whole, including the storm water pipe network, waterways, and retention areas.                                                                             | Environmental         |
| The water supply system as a whole, including reservoirs, pump stations and reticulation.                                                                                                | Environmental         |
| Quarry.                                                                                                                                                                                  | Environmental         |
| Southern Landfill.                                                                                                                                                                       | Environmental         |
| Wellington Zoo (improvement and exhibits).                                                                                                                                               | Environmental         |
| The roading network as a whole including the public transport infrastructure system (as a whole, which includes the Lambton Interchange, bus shelters and other bus-related facilities). | Transport             |
| The core data set used to deliver Council services in its entirety.                                                                                                                      | Organisational wide   |
| The Council's brand, Absolutely Positively Wellington                                                                                                                                    | Organisational wide   |