

# Policy to Determine Significance

## 1. Legislative Requirement

Council is required to have a policy on significance under section 90 of the Local Government Act 2002 (LGA 2002).<sup>1</sup>

## 2. Purpose

The LGA 2002 establishes a process for decision making within local government. This process requires that local authorities make judgements on the importance of any decision they make. In particular, they are required to identify those decisions that are significant.

For all decisions made by a local authority, the Act requires that consideration be given to the range and depth of information needed during the decision making process. Where decisions relate to matters that have been determined to be significant, the Act implies that a greater range and depth of information must be considered.

Information to be considered includes outcomes, options, costs and benefits, affected and interested parties, community opinion, impacts on community well-being and on Council.

The purpose of this policy is to establish a procedure for identifying issues, proposals, decisions and other matters that are deemed to be significant.

## 3. Strategic Assets

The LGA 2002 requires that the policy on significance identifies all assets Council considers to be strategic assets. Appendix 2 of this policy lists the Taupo District strategic assets.<sup>2</sup>

The Strategic Assets Register (Appendix 2) is not an exhaustive list of all Council assets but includes only those which are considered to be important in maintaining Council's capacity to achieve or promote Community Outcomes.

In accordance with section 5(1) of the Act, the Taupo District Council's shareholding in the Taupo Airport Company Ltd has been included in the register.

## 4. Consultation

The significance of a matter also guides Council's decisions concerning the extent and nature of the consultation to be undertaken with affected or interested persons. The more significant a matter from the perspective of the persons who may be affected by the decision, the more likely it is that Council will need to consult with them on their views.

1. This policy was adopted on 26 June 2003

2. Taupo District Council owns a number of assets and assets managed 'as a whole' that it considers to be strategic, however not all trading decisions made regarding these assets are regarded as significant nor do they affect the asset's strategic nature. For example, the roading network is strategic, but small parcels of land that make it up may not be, and the purchase or sale of such parcels of land is unlikely to amount to a significant decision.

## 5. Implementation of the Significance Policy

### 5.1 General Approach

In considering whether any issue, proposal, decision or other matter is of significance under this policy Council will be guided by the following matters:

- (a) the likely impact/consequences of the issue, proposal, decision or other matter, on the current and future social, economic, environmental, and cultural well-being of the community
- (b) the parties who are likely to be particularly affected by or interested in the issue, proposal, decision or other matter
- (c) the likely impact/consequences of the issue, proposal, decision or other matter from the perspective of those parties
- (d) the financial and non-financial costs and implications of the issue, proposal, decision or other matter having regard to Council's capacity to perform its role.

The more significant or material the impact or consequences of the issue, proposal, decision or other matter, the higher the standard of compliance required with Part 6 of the LGA 2002.

### 5.2 Policy Application

This Policy sets out the method by which Taupo District Council will assess significance.

- Step 1: Officers will assess particular issues, proposals, decisions or other matters against the thresholds set out in this policy under section 5.3. If the issue being considered does not result in a clear determination of significance the issue will be referred to Council for assessment (Step 2).
- Step 2: Council will decide on the significance of an issue, proposal, decision or other matter based upon the criteria in section 5.4. Step 2 is used when the issue being considered does not conform to the threshold tests because either specific dollar amounts are not involved or because the issue is likely to be significant for other reasons.

In determining the application of this policy Council will have regard to the definition of 'Significance', 'Significant', and 'Strategic Asset' as defined in the LGA 2002 (see Appendix 1).

### 5.3 Thresholds

The thresholds that are established in this section are quantifiable either by value, by a specific action or by some other method which allows a predetermination of the outcome. Therefore a threshold test on significance can be applied by officers without further reference to Council.

## 5.3.1 Threshold Tests

When undertaking a process to determine whether an issue, proposal, decision or other matter is significant Council will recognise that if it:

- (a) will incur operational expenditure exceeding 7.5% of the annual Council budget for that year; or
- (b) will incur capital expenditure exceeding 2.5% of the total value of Councils assets, or where spent on a strategic asset in the Strategic Assets Register (Appendix 2) of this policy, exceeds 25% of that asset's value; or
- (c) requires the transfer of ownership or control or the disposal or abandonment of a strategic asset as a whole as defined by the LGA 2002 or listed in Appendix 2 this policy; or
- (d) requires the sale of Council's shareholding in any council controlled trading organisation, or council controlled organisation; or
- (e) will, directly or indirectly, severely affect the capacity (including financial capacity) of Council to carry out any activity identified in the Long Term Council Community Plan; or
- (f) concerns the entry into any partnerships to carry out a **significant activity**

Then it is significant within the meaning of the Act.

## 5.4 Criteria

Implementing criteria based assessment of the significance of an issue, proposal, decision or other matter is a matter of judgement and as such requires consideration by Council. In considering whether any issue, proposal, decision or other matter is significant and it is not significant using one of the threshold tests in section 5.3.1 above, then Council will apply the following criteria:

- (a) the issue, proposal, decision or other matter affects all or a large portion of the community in a way that is not inconsequential; or
- (b) the impact or consequences of the issue, proposal, decision or other matter on the affected persons will be substantial; or
- (c) the issue, proposal, decision or other matter has a history of wide public interest in the Taupo District or is likely to generate considerable public controversy.

The matter will be considered significant if at least one of these criteria apply.

## 5.5 Procedures

As set out in Section 2 above, the purpose of this policy is to establish the decision making process that is appropriate for the significance of the decision to be made.

Therefore once a decision has been determined to be significant, the report to Council will include a statement addressing the appropriate observance of sections 76, 77, 78, 79, 80, 81 and 82 of the LGA 2002 as applicable. Where the report is requesting a decision on significance under the criteria set out in section 5.4 above then, to save Council time, the report to Council may also contain the decision-making procedures appropriate to a significant decision.

The Council will report annually through its Annual Report on all issues, proposals, decisions or other matters determined to be significant, and subject to the procedure outlined in sections 76, 77, 78, 79, 80, 81 of the LGA 2002 as appropriate.

# APPENDIX ONE

## Definitions

Section 5(1) of the LGA 2002 defines 'significant' and 'significance' 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, 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.

**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.

# APPENDIX TWO

## Register of Taupo District Council's Strategic Assets

ASSET	NOTES
Taupo District Libraries	Includes books and collections
Taupo Museum	Heritage Assets
Great Lake Centre	
Taupo Events Centre	
AC Baths Complex	
Genesis Energy Turangi Aquatic Centre	
Taupo District Council's ownership interest in the Taupo Airport Authority	
Pensioner housing as a whole	
Council buildings and depots as a whole	
Amenity areas, reserves, sports fields and facilities under the Reserves Act 1977	
Cemeteries	
Public toilets as a whole including Superloo	
Taupo Landfill	
Refuse Transfer Stations	
Stormwater network as a whole	
Roading system as a whole	Includes footpaths, cycle paths, culverts, stock underpasses, off-street parking and bridges.
Reservoirs, water treatment plant and water reticulation system as a whole	Includes the land, buildings, treatment plant, tanks and structures for all networks within the district
Wastewater network and treatment plant as whole	Includes all land, buildings and plant for all wastewater networks and treatment plants within the district

