

# Policy on Significance

## Introduction

This policy on significance outlines the Council's general approach to determining the significance of proposals and decisions and includes criteria and procedures the Council will use in assessing which proposals and decisions are significant.

It also lists the assets the Council considers to be strategic assets.

## Statutory Requirements

Section 90 of the Local Government Act 2002 (the Act) requires the Council to adopt a policy for determining the significance of proposals and decisions in relation to issues, assets or other matters; and any thresholds, criteria, or procedures that are to be used by the Council in assessing the extent to which issues, proposals, decisions, or other matters are significant.

As set out in the Act, significance means:

**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

In general terms "significance" relates to the degree of importance attributable to any particular matter or thing and can be thought of as a continuum ranging from insignificant to very significant.

The significance of a decision will help determine the appropriate nature, extent and degree of compliance required with the decision making process set out in part 6 of the Act. In essence the more significant the issue, the higher the standard of compliance required.

## **General approach to determining which proposals and decisions are significant**

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

When determining the question of significance of proposals and decisions in relation to issues, assets or other matters the Council will determine the extent to which:

- The likely consequences or impacts of the issue, asset or other matters affect the current and future social, economic, environmental and cultural well-being of the Masterton District.
- A large number of individual residents and ratepayers are affected.

- A small number of individual residents and ratepayers are particularly affected.
- The issue, asset or other matters have a history of generating wide public interest within the Masterton District.
- The issue, asset or other matters affects the capacity of the Council to perform its role.

### **Criteria and procedures for determining which proposals and decisions are significant**

When undertaking a process to determine the extent to which proposals and decisions are significant, the Council will use the following criteria and procedures.

#### **Criteria:**

The Council determines the financial parameters for the policy on significance to be:

- i) capital expenditure - \$10 million and above on any single project*
- ii) impact on additional annual rates requirement - 5% and above for any service or contract*

The Council will use the following non-financial criteria to determine whether a proposal or decision is significant:

Will the proposal or decision significantly affect the current or future social, economic, environmental and cultural well-being of the Masterton District?

Will the proposal or decision significantly affect the capacity of the Council to carry out, or the costs associated with the delivery of, any of the Groups of Activities identified in the Council's Long-term Council Community Plan (LTCCP)?

Will the proposal or decision significantly affect the Council's ability to deliver the levels of service outlined in the Council's LTCCP?

Will the proposal or decision result in the sale or replacement of, or significant addition to, a strategic asset (or a significant portion thereof), as defined by the Act or listed in this policy? Replacement of key components of each strategic asset in accordance with Council's asset management plans will not be considered to be significant.

#### **Procedures:**

Where in the judgement of the Chief Executive, or his or her delegated officer, a matter may trigger the significance criteria (above) the appropriate officer will report the matter to the relevant Standing Committee(s) or the Council for decision.

In the absence of such a report a matter will not be considered to be significant, except that any Councillor may notify to the appropriate Committee Chairperson the Mayor 48 hours before any matter is considered at a meeting, their view that the matter may be significant and see that the meeting determine that question prior to consideration of the matter.

A matter that is in accordance with an adopted LTCCP or Annual Plan, or is specified within another policy or plan that has been subject to public consultation as required by the Local Government Act 2002 or other specific legislation, may be considered to be significant, but will require no further special procedures to be carried out.

### **Identified Strategic Assets**

This policy also identifies the assets the Council considers to be strategic assets. 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 LTCCP). All such actions relating to a strategic asset are automatically significant and must meet the requirements relating to significant decisions. This does not apply to the alteration of components of the assets which do not detract from the functionality or service levels the assets provide.

As set out in the Act, strategic asset means:

**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

Assets and groups of assets that the Masterton District Council holds and considers to be strategic are:

#### **Utility Networks (as a whole)**

**Urban Water Supply**

**Wastewater Treatment and Reticulation**

**Roading Network** (including streetlights, footpaths, paving and street furniture)

**Stormwater Network**

**Library and Archives**

**Hood Aerodrome**

**Housing for the Elderly**

**Council Parks, Sportsfields & Cemeteries**

**Genesis Recreation Centre**

**Municipal Building and Town Hall**