

Policy on determining significance



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Introduction

This policy on determining significance is being prepared to meet the requirements of section 90 of the Local Government Act 2002. It is designed to reflect the requirements of the Act and the Christchurch City Council's commitment to conducting its business in an open, transparent and democratically accountable way. This policy has been prepared recognising the Memorandum of Understanding that exists between the Christchurch City Council and Banks Peninsula District Council (BPDC) and the processes associated in bringing the Councils together.

Changes to the Policy

The policy on determining significance as published in the 2004 to 2014 Long Term Council Community Plan (LTCCP) has been revised to reflect the amalgamation with the BPDC. Under point 2 of the criteria for significant decisions, the level of operating expenditure has been increased from \$500,000 to \$1 million. Lastly, the list of strategic assets has been refined to clarify the status of Christchurch City Holdings Ltd (CCHL) assets following a decision from Council that the assets listed should be "those assets which provide an irreplaceable piece of the city's infrastructure". As a result, the list of strategic assets has been amended by the deletion of Redbus Limited and City Care Limited.

Significant activities

A significant activity is one that has a high degree of significance in terms of its impact on either: the wellbeing of Christchurch and/or persons likely to be affected by or with an interest in that activity and/or the costs to or capacity of the Christchurch City Council to provide for the wellbeing of the city.

The Council considers each group of activities as they are grouped in the LTCCP or Annual Plan as a significant activity. The current groups are:

- City Development
- Community Support
- Cultural and Learning Services
- Democracy and Governance
- Economic Development
- Parks, open spaces and waterways
- Recreation and Leisure
- Refuse Minimisation and Disposal
- Regulatory Services
- Streets and Transport
- Wastewater Collection and Treatment
- Water Supply

Within each group a decision to cease or add a major component to the intended level of service is considered a significant activity. Such decisions will be made only after they have been included in a statement of proposal in an LTCCP (or an amendment to the LTCCP). A decision altering the mode of delivery of a major component of a significant activity is considered by the Council as a decision altering the mode of delivery of the significant activity. Such decisions will only be made using the Special Consultative Procedure either within the framework of the LTCCP or Annual Plan, where practical, or on its own.

Significant decisions

A significant decision is one that has a high degree of significance either in terms of its impact on: the wellbeing of Christchurch and/or persons likely to be affected by or with an interest in that decision and/or the costs to or capacity of the Christchurch City Council to provide for the wellbeing of the city.

Council policy is that in making significant decisions, the decision-maker should consider information on the reasons for the decision, the options and their relative costs and benefits, and the views of those that are affected by or with an interest in the decision that commensurates with the significance of that decision. It is the responsibility of the maker of the substantive decision (usually the full Council, a committee or a community board) to satisfy itself that the requirements of this policy are complied with.

Criteria that will be considered in determining the significance of the decision will include:

- The extent to which the decision flows logically and consequentially from a significant decision already made or from a decision in the LTCCP (as amended) or the Annual Plan. If it does, then its significance depends principally on the variations between the identified options, because the decision to do something has already been taken.
- The magnitude of the decision in terms of its net cost to the Council. Most major spending decisions should be made in the context of the LTCCP or Annual Plan, so decisions involving unidentified and unbudgeted expenditure should receive at least as much scrutiny as they would have received if they had been included in the LTCCP or Annual Plan. For guidance, budget decisions involving more than \$5 million in capital expenditure or more than \$1 million in operating costs will usually be regarded as significant.
- The extent to which the options identified (including the 'do nothing' option where appropriate) have radically different effects in terms of, amongst other things: their costs, their benefits, the extent to which they impact on members of the community and which members they impact upon. The greater the variation, the greater the degree of significance.

- The extent to which the matter under consideration is controversial within the community.
- The reversibility test. The more difficult it is to reverse a decision, in general, the greater its significance. A decision which leads to a final outcome has greater significance than one where the outcome can be largely reversed in a different form.
- Precautionary principle. Where the significance of a matter being considered, or a decision being made is unclear, then the council will err on the side of treating the issue as of more, rather than less, significance.
- Practicality. The Act provides for the Council to take into account the circumstances under which a decision is taken and what opportunity there is to consider a range of options or the views and preferences of other people. In circumstances in which failure to make a decision urgently would result in loss of opportunities which are assessed as able to contribute to achieving the communities outcomes, then the Council will tailor its decision processes to allow as much evaluation and consultation as is practicable while achieving the timeline required.

For the avoidance of doubt, administrative decisions made by officers under delegated authority that flow from Council policy (e.g. the issuing or exempting from traffic infringement notices, the issuing of dog licences, the decision on the notification of a resource consent) are not significant in terms of this policy. The significance rests with the statutory provisions or the Council policy that guides these decisions and not with each decision made in administering the statutory provisions or the policy. The degree of importance to be attached to each criterion will be considered decision by decision. It follows that a high level of significance in one or more of the criteria may or may not result in the decision itself being assessed as having a high level of significance.

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Significant decisions that may impact on land or water of importance to Maori (section 77(1)(c))

Where the Christchurch City Council is considering a significant proposal or decision in relation to issues, assets or other matters where one or more of the options involves land or a body of water which is, or may be, important to the relationship of Maori and their culture and traditions with their ancestral land, water, sites, waahi tapu, [iv] valued flora and fauna or other taonga [v], then the views of the Maori Liaison Subcommittee will be sought on:

- Whether it is important; and if so, whose views should be sought in order to inform the Council of the importance of that relationship;
- If after seeking and considering those views the Council is of a mind to proceed with an option that is not compatible with those views, it will refer the matter back to the Maori Liaison Subcommittee and seek their advice before the decision is made.

In applying this policy, the Council will err on the side of caution; that is, where it is uncertain whether the land or body of water being considered is of cultural importance to Maori, it will refer the matter to the Maori Liaison Subcommittee for its consideration.

Strategic assets

Section 90 (2) of the Local Government Act 2002 requires the Council to identify and list the assets it considers to be strategic assets.

The assets that Christchurch City Council considers to be strategic assets include:

- Its controlling interest in Christchurch City Holdings Ltd;
 - The controlling interest that Christchurch City Holdings Ltd holds in each of the following subsidiaries (each subsidiary to be treated as a separate strategic asset for the purposes of this policy):
 - Lyttelton Port Company Limited
 - Christchurch International Airport Limited
 - Orion Group Limited;
 - The controlling interest in Jade Stadium or its successor held either directly by Christchurch City Council or through Christchurch City Holdings Limited;
 - The controlling interest in Christchurch City Facilities Limited or its successor held either directly by Christchurch City Council or through Christchurch City Holdings Limited;
 - Christchurch Town Hall;
 - Its equity in Transwaste Canterbury Limited.
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- The Christchurch Art Gallery and its permanent collection;
 - The library network as a whole including the central library, the suburban libraries and the mobile library service;
 - The Christchurch City roading network as a whole;
 - The water supply network as a whole including reservoirs, pump stations and reticulation;
 - The sewage collection, treatment and disposal system as a whole including the sewers, pump stations and the treatment works;
 - The land drainage system as a whole including the storm-water pipe network, the open river system, waterways, wetlands and retention basins;
- The reserves lands as a whole including land held under the Reserves Act and land used for parks, gardens, sports fields, recreational areas and cemeteries;
 - The Council's built recreational facilities including its suburban swimming pools (Waltham, Halswell and Sockburn) and indoor pool complexes;
 - The system as a whole of off-street parking facilities owned or operated by the Council;
 - The public transport infrastructure system as a whole including the Bus Exchange, bus shelters and other bus related facilities;
 - The Council's portfolio of Heritage Assets as a whole (excluding assets specifically acquired for on-selling after providing them with protective covenants);
 - Harbour structures, including wharves, jetties, slipways, breakwaters and seawalls;
 - The waste management system as a whole including transfer stations.

Section 97 of the Act requires that 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 can only be taken if the decision has been explicitly provided for by a statement of proposal in the Council's LTCCP.

Strategic assets as defined above are the assets in total and not the separate elements of the assets. That is, the requirements of section 97 are only triggered if the proposal relates to the asset as a whole or a major sub-part of the asset.

[i] The Act has the following definition of 'significant': Significant, in relation to any issue,

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proposal, decision, or any other matter means that the issue, proposal, decision, or other matter has a high degree of significance Part I section 5).

The same section defines 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 wellbeing of the district of 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.
- [ii] For example, a proposal to stop funding events and festivals (being an element of the sports, leisure and events significant activity) as a group would be a proposal that significantly altered the intended level of service of a significant activity. However, decisions on the exact mix of festivals and events supported would not be considered to significantly alter the intended level of service.
- [iii] To continue with the events and festivals example, a proposal to provide all festivals 'in-house' would be considered as the alteration of the mode of delivery of a significant activity. However a change of provider for an individual festival would not.
- [iv] Sacred sites,
- [v] In this context this refers to land or bodies of water of cultural importance to Maori.

