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INVESTMENT AND LIABILITY MANAGEMENT POLICIES

General policy objectives

The Council's general policy objectives relating to its investment and liability management are to:

- Minimise the Council's overall costs and risks associated with its borrowing activities and the general management of its other liabilities.
- Manage its borrowings and cash assets on a "net debt" basis in order to reduce the overall net cost to the Council.
- Optimise the return on its investment portfolio and other financial assets.
- Manage the Council's exposure to adverse interest rate movements.
- Borrow and invest funds and transact risk management instruments within an environment of control and compliance.
- Regularly review and consider the performance of the Council's financial assets and investments. Where appropriate, the Council will dispose of under performing assets or those assets and investments that are not essential to the delivery of services and activities set out in the Council's Long Term Plan (LTP).

More detail on the Council's investment and borrowing policies, operating procedures and associated internal controls is contained in the Treasury Management Policy and Guidelines.

Investment policy

Policy Statement

The Council operates on a "net debt" basis, and does not separately maintain significant long term cash investments. The general policy with respect to surplus short term cash is to invest any short term surplus cash or to utilise it to reduce borrowings.

The Council currently maintains an equity interest in Wellington International Airport Limited (WIAL) and an ownership and financial interest in ground leases and investment properties. The Council will continue to review the level of investment as well as the return it receives on these investments.

Where appropriate, the Council may choose to dispose of investments/financial assets that no longer meet our investment objectives.

Investment Mix and Associated Objectives

The Council categorises its investments into 5 broad categories:

Cash and Cash Equivalents

The Council may invest funds with approved registered banking institutions. These investments generally mature in less than one year, and are held primarily for working capital/liquidity purposes or the pre-funding of debt maturing within twelve months.

Income generating commercial debt instruments

These are principally loans to other organisations (on commercial terms) which deliver a cash-flow return to the Council.

Income generating commercial equity investments

Equity investments arise from the Council owning or controlling an equity holding (eg shares) in another entity.

The Council currently maintains a 34% shareholding in Wellington International Airport Limited (WIAL) for the purpose of achieving the Council's strategic objectives, to provide diversity to the Council's revenue sources and to contribute to the economic well-being of Wellington. In the event that a call for capital is made by WIAL the Council's objective is to maintain its shareholding at 34% unless a specific resolution is passed not to do so. As a result, should the Council be required to inject additional capital in WIAL to maintain its existing shareholding, it will do so without further consultation.

The Council currently maintains a 8% shareholding and other financial instruments of the New Zealand Local Government Funding Agency Limited (LGFA).

The Council's objective in maintaining the investment in the LGFA is to:

a) obtain a return on the investment;

b) reduce the cost of borrowing for Council; and

c) ensure that the LGFA has sufficient capital to remain viable, meaning that it continues as a source of debt funding for the Council.

Because of these multiple objectives, the Council has invested in LGFA shares in circumstances in which the return on the investment is potentially lower than the return it could achieve with alternative investments.

Income generating commercial property investments

Investment properties are the Council's ground leases and land and buildings held for the purposes of; achieving the Council's strategic objectives; and for investment purposes to provide diversity to Council's revenue sources and to provide investment returns which over time exceed the Council's long term cost of borrowing. The Council periodically reviews its continued ownership of investment properties by assessing the benefits of continued ownership in comparison to other arrangements that could deliver similar benefits. Any assessment is based on both the strategic benefit of the investment/ownership to the City and in terms of the most financially viable method of achieving the delivery of Council services.

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Non income generating investments

This includes loans to other organisations, and equity investments in Council Controlled Organisations. The Council may consider the provision of loans to Community groups but only in exceptional circumstances. The Council's non-income generating investments are held for strategic or ownership reasons.

In addition to the above investment categories, the Council may assume financial risk associated with providing contributions, guarantees and underwrites, where these meet the Council's strategic objectives and outcomes. Such undertakings require a Council resolution.

Investment Acquisition/Addition/Disposal

With the exception of the day to day investment of short term cash and cash equivalents, all new investments, additions to existing investments, and/or disposals of existing investments must be approved by the Council. The day to day management and investment of short term cash and cash equivalents may be made by Council officers in accordance with the Treasury Management Policy.

The Council will continue to maintain its current level of investment in WIAL (being a 34% equity interest) unless it considers that it is strategically, financially and economically prudent to dispose of the investment. Council may reduce its current level of investment in LGFA in the event where other Local Authorities wish to join as shareholders of the LGFA.

Proceeds from the sale of investments will be used to repay existing borrowings, unless the Council specifically directs that the funds be put to another use.

Reporting

Investments in CCOs

Monitoring of the Council's equity investment and ownership interest in Council Controlled Organisations (CCOs) is undertaken by the Council Controlled Organisation Performance Sub-Committee. The Sub-Committee reports to the Strategy and Policy Committee and is responsible for:

- monitoring Council Controlled Organisations (CCOs), Council Controlled Trading Organisations (CCTOs), and Council Organisations (COs),
- reviewing the above organisations' quarterly reports, annual reports, business plans, strategic plans and statements of intent, and
- monitoring the performance of appointed members on CCOs.

All other investments

The Strategy and Policy Committee is responsible for monitoring all other investments and providing recommendations to the Council in regard to strategies, policy and guidelines in relation to those investments. The Strategy and Policy Committee will receive and review the quarterly Treasury report contained within the consolidated quarterly report.

Risk Management

The Council's principal exposure on its financial investments is credit risk. Credit risk is minimised by the Council investing in approved institutions with satisfactory credit ratings which are assessed and reviewed by independent credit rating organisations. Limits are spread amongst a number of counterparties to avoid concentrations of credit exposure.

Assessment and management of specific risks associated with the Council's investment in WIAL, LGFA and investment properties will be performed on a regular basis. Any significant changes in the risk profile for these investments will be reported to the Strategy and Policy Committee.

Investment Ratios

For the purposes of setting its Borrowing and Investment Ratios, the Council defines investments as assets which are cash or readily convertible to cash (either through fixed repayment and maturity profiles, or through sale or exchange) and assets which are held primarily for investment purposes (either for capital growth, commercial rental or interest). This is likely to include:

- Cash and cash equivalents (e.g. term deposits),
- Income generating commercial debt instruments
- Income generating commercial equity instruments
- Income generating commercial property instruments

Liability management policy

In broad terms, the Council manages both current and term liabilities.

Current liabilities

Current liabilities reflect those obligations, expressed in monetary terms, which the Council has to meet within relatively short timeframes, at a maximum within the next 12 months. In respect of its day to day obligations for both operational and capital expenditure, the Council's policy is to pay these liabilities in full by the due date. This eliminates any credit exposure or risk. Current liabilities also include the maturing portions of any term liabilities that are due for repayment within the following 12 months.

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Term liabilities

Term liabilities represent the Council's obligations which, in general terms, are not immediately payable, i.e. not due within the following 12 months. Borrowings comprise the majority of the Council's term liabilities.

The Council approves the borrowing programme for each financial year as part of the LTP or Annual Plan. Additional borrowings may be approved by Council on a case by case basis. The Council primarily borrows to fund its new and upgraded capital expenditure programme. In approving new borrowings the Council considers the impact of the proposed level of borrowings on its overall borrowing limits and impact on rates and rates limits.

Policy objectives

The Council primarily borrows to pay for the upgrading of existing assets and the construction/purchase of new assets. These assets generally provide new or enhanced benefits to Wellington for many years. Borrowing is therefore considered the most cost-effective and equitable way to fund these assets as it spreads the cost of the asset over the future generations of ratepayers who will benefit from the use of the asset. In addition, Council borrows to meet the costs associated with settling liabilities arising with respect to weathertight homes issues, and the borrowings are repaid from future rates revenues. Accordingly, borrowings have a strategic benefit of making the cost of the asset investment or weathertight homes liabilities affordable to today's ratepayers. Borrowings are maintained at a prudent level, in accordance with the Council's overall financial strategy and specific borrowing limits.

Power to borrow

The Council borrows as it considers appropriate and in accordance with the provisions of the Local Government Act 2002 and its Treasury Management Policy. The Council approves the level of new borrowing in general terms as part of the LTP or Annual Plan. The Council delegates the authority to officers to raise the approved borrowing during the financial year as and when the funding is required. Any additional borrowing beyond that approved in the LTP or Annual Plan must be approved by the Council.

Interest rate exposure

Borrowings issued at variable (floating) interest rates expose the Council to a cash flow interest-rate risk. The Council manages its cash flow interest-rate risk by using floating to fixed interest rate swaps. Such interest rate swaps have the economic effect of converting borrowings from floating rates to fixed rates.

The Council has set the following specific limits for its interest rate exposure:

Master fixed/floating interest rate risk control limit

Minimum Fixed Rate	Maximum Fixed Rate
50%	95%

The level of fixed interest rate cover at any point in time must be within the following maturity bands:

Fixed rate maturity profile limit

Period	Minimum Cover	Maximum Cover
1 to 3 years	20%	60%
3 to 5 years	20%	60%
5 to 10 years	20%	60%

Liquidity

The Council minimises its liquidity risk by avoiding concentration of debt maturity dates and by maintaining committed borrowing facilities at a level that exceeds 110% of projected peak borrowing levels over the following twelve months. The Council will only drawdown or borrow against these facilities as required.

Where special funds are maintained to repay borrowings, these investments are held for maturities not exceeding borrowing repayment dates.

The Council avoids exposure to liquidity risk by managing the maturity of its borrowing programme within the following maturity limits:

Borrowing maturity profile limits

Period	Minimum	Maximum
0 to 3 years	20%	60%
3 to 5 years	20%	60%
5 years plus	15%	60%

Credit exposure

The Council borrows from approved institutions with satisfactory credit ratings. Borrowings are managed to ensure the Council is not exposed to material concentrations of credit risk. Limits are spread amongst a number of counterparties to avoid concentrations of credit exposure.

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Local government funding agency

The Council may borrow from the New Zealand Local Government Funding Agency Limited (LGFA) and, in connection with that borrowing, will enter into the following related transactions to the extent it considers necessary or desirable:

a) contribute a portion of its borrowing back to the LGFA as an equity contribution to the LGFA; and

b) secure its borrowing from the LGFA, and the performance of other obligations to the LGFA or its creditors with a charge over the Council's rates and rates revenue.

The Council is a party to a deed of guarantee which guarantees the indebtedness of other local authorities to the LGFA, and the indebtedness of the LGFA itself.

Borrowing repayment

The Council will repay borrowings from a combination of excess depreciation over and above renewals, sale of surplus or underperforming assets, operating surpluses, and any rates specifically set to repay borrowings associated with settling weathertight homes liabilities, or from the renewal of borrowings.

Specific borrowing limits

In determining a prudent level of borrowings the Council assesses the level of net borrowing against the Council's recognised total realisable assets and net interest expense per annum against operating revenues.

Total Council Net Borrowings will be managed within the following macro prudential limits:

Ratio	Limit
Net borrowing as a percentage of equity	<10%
Net borrowing as a percentage of income	<150%
Net Interest as a percentage of income	<15%
Net Interest as a percentage of annual rates income	<20%
Liquidity (Term borrowing + committed loan facilities to 12 month peak net borrowing forecast)	>110%

Security

Council borrowings are secured by way of a Debenture Trust Deed (representing a charge over Council rates revenue). This security relates to any borrowing and to the performance of any obligation under any incidental arrangement. However, if it is considered advantageous, the Council's borrowings and other financial arrangements may be undertaken on an unsecured basis, or secured by way of a charge over its physical assets.

Credit rating

To provide an independent assessment of the Councils' credit quality, Council maintains a credit rating with an independent rating agency.

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RATES REMISSION POLICY

1. Introduction

In accordance with Section 85 of the Local Government (Rating) Act, 2002:

i) A local authority may remit all or part of the rates on a rating unit (including penalties for unpaid rates) if –
  a. the local authority has adopted a remissions policy under section 102 of the Local Government Act 2002, and
  b. the local authority is satisfied that the conditions and criteria in the policy are met.

ii) The local authority must give notice to the ratepayer identifying the remitted rates.

2. Circumstances where a remission may apply

2.1 Rural open space remission

Remission statement

The Council may grant a 50 percent remission on land classified as "rural" under the District Plan where the rating unit is rated under the Base differential and used principally for farming or conservation purposes.

Policy objective

To provide rates relief for rural, farmland and open spaces.

Conditions and criteria

Land used principally for farming or conservation purposes

A rates remission of 50 percent of the Base general rate will be granted to rating units that are classified as rural under the District Plan and used principally for farming or conservation purposes.

Under this policy "principally for farming or conservation purposes" is defined as where:

a) The rating unit (or property) exceeds 30 hectares in area, and
b) 50 percent or more of the rateable capital value of the property is made up of the land value, and
c) the principal use of the land is for conservation, agriculture, horticulture, pastoral or silviculture purposes, or for the keeping of bees, poultry or other livestock excluding commercial dog kennels or catteries.

2.2 Remissions on land used principally for games or sport

Remission statement

Where the Council considers a rating unit is used principally for games or sport, it will apply a 50 percent remission of general rates where the rating unit:

a) has a club licence under the Sale of Liquor Act 1989, and
b) would otherwise qualify as 50 percent non-rateable under Part 2, Schedule 1, of the Local Government (Rating) Act, and
c) the property is rated at the Base differential.

Policy objective

To reduce the adverse financial impact of the Local Government (Rating) Act 2002 on land used principally for games or sports, occupied by clubs that hold a club liquor licence and no longer qualify as 50 percent non-rateable.

Conditions and criteria

All applications must be received in writing using the Wellington City Council 'Application for Remission' form. A remission under this policy will apply for one year only. Applicants must reapply annually. The application for a rate remission must be made prior to the commencement of the rating year (1 July). Successful applications received during a rating year will be applicable from the commencement of the following year. No applications will be backdated. For the avoidance of doubt, this policy specifically excludes chartered clubs and clubs holding permanent charters.

2.3 Remission of downtown levy targeted rate on property under development

Remission statement

The Council may remit part or all of the Downtown Levy targeted rate on land classified under the Council's commercial, industrial and business differential and located in the "downtown area" as defined within our Funding Impact Statement Rating Mechanisms, where the property is deemed to be 'not fit for purpose'.

Policy objective

To provide rates relief for downtown commercial property temporarily not fit for purpose due to the property undergoing development and therefore not receiving the benefits derived by contributing to the Downtown Levy targeted rate.

Conditions and criteria

A remission of the Downtown Levy targeted rate may be granted to rating units that are classified under the Council's commercial, business and industrial differential and located in the "downtown area" as defined within our Funding Impact Statement Rating Mechanisms where the property is temporarily not fit for purpose. Under this policy "not fit for purpose" is defined as where:

a) the property (rating unit) will not hold sufficient consents to permit occupation and,
b) the property (rating unit) will not be used for any purpose, apart from the construction of buildings, premises or associated works, and

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c) the property (rating unit) will not generate any revenue stream

The above criteria apply to and must be met by an entire rating unit, as identified in the Council's rating base.

2.4 Remission of voluntary residential metered water rates

Remission statement

The Council may grant a remission on a voluntary residential metered water rate where excess water consumption has occurred due to a leak beyond the point of supply on the ratepayer's property. The excess water consumption may only be remitted to the level of the current Greater Wellington Regional Council bulk water rate.

Policy objective

The objective of this remission policy is to provide a measure of rates relief where a water leak has been detected on the ratepayer's residential property with a voluntary water meter, and prompt remedial action to repair the leak has been undertaken. However the ratepayer is responsible for water leaks, the pipes and the usage of water on their property in accordance with the Water Services Bylaw.

Conditions and criteria

A remission of the residential metered water rate may be granted for excess water consumption where the leak is the rate payer's responsibility (beyond the point of supply). Excess water consumption will be calculated as the difference between actual metered usage on the latest reading and the average daily metered usage over the last 4 readings. The full water rate will be charged on the average daily usage over the last 4 readings and the excess water consumption (as calculated above) will be charged at the current Greater Wellington Regional Council bulk water rate. This remission should only be applied for if:

i. the leak occurred on a voluntary residential metered water property; and
ii. excess water consumption has occurred through a broken or leaking pipe; and
iii. evidence is provided that the fault has been remedied within a reasonable time period and prior to the application for a remission;

In the advent of a recurrence of a water leak, Council would require the property owner to get a condition assessment of the pipes on the property prior to any decisions to remit a subsequent remission.

2.5 Special circumstances remission

Remission statement

It is recognised that not all situations in which it may be appropriate for the Council to remit rates will necessarily be known in advance and/or provided for in specific rating policies. In circumstances where the rating policy is deemed by the Council to unfairly disadvantage an individual ratepayer, the Council may grant a one-off remission of part or all of the rates assessed for a rating unit (or property) on the condition that the remission does not set a precedent that unfairly disadvantages other ratepayers.

Policy objective

To provide for the possibility of a rates remission in circumstances that have not been specifically addressed in other parts of the Council's Rates Remission and Postponement Policies.

Conditions and criteria

The Council may remit part of the general rate assessed in relation to particular rating unit where:

i) the rates on that rating unit are disproportionate to those levied in respect of comparable rating units, or
ii) the rating policy is determined by the Council to unfairly disadvantage an individual ratepayer.

The approval of the remission must not set a precedent that unfairly disadvantages other ratepayers.

3. Applying for a rates remission

All applications must be in writing and set out the reasons for the request using the Wellington City Council 'Application for Remission' form.

Each remission application is applicable to a single rating year. Applications must be received prior to the commencement of the rating year the remission is being applied for (1 July), with the exception of the Special Circumstances Remission and the Voluntary Residential Metered Water Rates Remission which may be received after the start of a rating year. No applications will be backdated beyond the current rating year.

All applications for a remission on a rating unit that has previously received a remission or remissions, must be re-submitted annually for consideration of further remissions prior to the commencement of the rating year (1 July).

The determination of eligibility and approval of any remission is at the absolute discretion of the Wellington City Council or its delegated officer.

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Applications made for a remission will be considered on their own merits and any previous decisions of the Council will not be regarded as creating a precedent or expectations.

4. Delegation

Decisions relating to the remission of rates are delegated to the Chief Executive, the Chief Financial Officer and the Manger Financial Transactions Bureau.

5. Rates penalty remission

Policy objective

To enable the Council to act fairly and reasonably when rates have not been received by the due date and a penalty has been applied.

Conditions and criteria

Upon receipt of an application from the ratepayer, or identified by the Council, the Council may remit all or part of a penalty where it considers that it is fair and equitable to do so.

Matters that will be taken into consideration by the Council include the following:

a) the ratepayer's payment history, and
b) the impact on the ratepayer of an extraordinary event, and
c) the payment of the full amount of rates due, or
d) the ratepayer entering into an agreement with the Council for the payment of rates within a reasonable timeframe.

The Council reserves the right to impose conditions on the remission of penalties.

Applying for a rates penalty remission

A Rates Penalty Remission application must be in writing, setting out the reasons for the request with enough information and proof for officers to evaluate the request. No special remission form is required. The written request will be accepted by post, fax or email (rates@wcc.govt.nz).

Delegation for a rates penalty remission

Decisions relating to the remission of penalties on rates are delegated to the Chief Executive, the Chief Financial Officer and the Manager Financial Transactions Bureau.

6. Non – rateable land

In addition to rates remissions, some types of property are not rateable or are partly non rateable under Schedule 1 or Schedule 2 of the Local Government Rating Act (2002). For details of non rateable property uses refer to this legislation or the Council's website.

7. Remission of rates on maori freehold land

The Council's objectives in relation to rates remission and postponement apply equally to Maori Freehold land. Therefore the rates remission and postponement policies applicable to Maori Freehold land are identical to those that apply to non-Maori Freehold land.

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RATES POSTPONEMENT POLICY

Policy objective

To assist ratepayers experiencing extreme financial hardship that affects their ability to pay rates.

Conditions and criteria

For residential and other land rated at the Base differential:

The postponement of rates in cases of financial hardship is a last resort to assist residents who own their own home, after all other avenues to meet rates commitments have been exhausted.

The financial hardship must be caused by circumstances beyond the ratepayer's control. Criteria for the postponement of rates for residential ratepayers in cases of hardship are as follows:

i) the applicant must be unable to pay their rates bill because of personal circumstances, and

ii) the applicant must have tried all other avenues (including seeking a reverse mortgage from their bank) to fund their rates, and

iii) the applicant must have no significant assets (other than their family home), and

iv) the applicant must accept a legal charge to the Council over the property.

Approval of rates postponement is for one year only.

The applicant must reapply annually for the continuation of a rates postponement using the Council's 'Application for Postponement' form. An application fee of $200 (including GST) will be charged and added to the total value of rates postponed on the first successful postponement application granted on each rating unit. Before applications are processed, applicants must be provided with information that clearly sets out the long term effect of postponing rates on their estate. Annually on 30 June interest will be charged in arrears on rates postponed, at a rate equal to the Council's average cost of borrowing at that date.

For land rated at the Commercial, Industrial and Business differential

The postponement of rates is a last resort to assist commercial, industrial and business ratepayers after all other avenues to meet rate commitments have been exhausted.

The financial hardship must be caused by circumstances outside the business' control.

Criteria for the postponement of rates for commercial, industrial and business ratepayers in cases of hardship are as follows:

i) the applicant must be unable to pay their rates because of business circumstances, and

ii) the applicant must have tried all other avenues (including obtaining a loan from their bank) to fund their rates, and

iii) the net value of an applicant's property (after the value of all mortgages on the property and the total value of the rates postponed) must exceed 10 percent of the market value of the property i.e. the Council will not postpone rates where there is a significant risk that the rates will not be paid at some time in the future, and

iv) the applicant must accept the Council's legal charge over the property.

Approval of rates postponement is a one-off event. A one-off application fee of $200 (including GST) will be charged on all successful postponement applications. Rates postponed on commercial, industrial or business property must be paid in full by the start of the Council's next financial year (ie 1 July). Annually on 30 June interest will be charged in arrears on rates postponed, at a rate equal to the Council's average cost of borrowing at that date.

Delegation

Decisions relating to the postponement of rates are delegated to the Chief Executive, Chief Financial Officer and Manager Financial Transactions Bureau.

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SIGNIFICANCE POLICY

1 Introduction

1.1 The Council must ensure that its processes and decision-making comply with the Local Government Act 2002 (the Act). The Act gives Council discretion to decide the appropriate level of attention, consideration, disclosure, and consultation given to decisions, based on their relative importance to the district or region (section 79).

1.2 The Council must therefore consider the degree of significance of every matter; and ensure its consultation and decision-making processes are in proportion to the significance of the matters affected by the decision (section 79).

1.3 The Act requires that councils adopt a significance policy that sets out how the significance of a decision will be determined. Significance is defined within section 5 of the Act as:

…the degree of importance of any issue, proposal, decision, or matter, which concerns or is before a 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.

The use of 'significant', for example in 'significant activity' or 'significant decision', refers to an activity or decision which has a high degree of significance, in relation to the above definition.

1.5 This Significance Policy is required to show:

a) The Council's general approach to determining the significance of proposals and decisions.

b) Procedures, thresholds and criteria the Council will use in determining which proposals and decisions are significant.

c) A list of strategic assets owned by the Council.

2 General Approach

2.1 The Council will consider each proposal or decision in relation to issues, assets or other matters on a case-by-case basis to determine its significance. The significance of a decision will be assessed according to the likely impact of that decision on:

a) The current and future social, economic, environmental, or cultural wellbeing of the city.

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 Council to perform its role, and the financial and other costs of doing so.

2.2 The Act requires that any decision that significantly alters the level of service provided by the Council of a significant activity (including a decision to commence or cease such an activity), or transfers ownership or control of a strategic asset to or from Council, can only be taken if "explicitly provided for" in the Long Term Plan (section 97). Usually, decisions assessed to be of high significance to the Council and community will be proposed within the Long Term Plan process so they:

a) are linked to desired community outcomes

b) are proposed in context with other major decisions

c) are put before the community using established processes and timing

d) meet legislative requirements.

2.3 There will be circumstances where a decision of high significance must be made outside of the Long Term plan process. In such circumstances, Council will ensure a consultation and decision-making process is followed in proportion with the high significance of the decision.

2.4 Every report to the Council or Council Committee must include a statement indicating whether or not the matter has been identified as significant.

2.5 For any matter considered significant, the report will address Council's responsibilities under sections 77, 78, 80, 81 and 82 of the Act (as applicable). In general, these sections of the Act require the Council to:

a) Consider all reasonably practical options, including the costs and benefits of those options, the extent to which they achieve desired community outcomes in an integrated and efficient manner, and their impact on the capacity of the Council to meet its statutory obligations.

b) Consider the views and preferences of persons likely to be affected or have an interest in the matter.

c) Identify and explain any significant inconsistency between the decision and any policy or plan adopted by the Council.

d) Provide opportunities for Maori to contribute to the decision-making process.

e) Promote compliance with the principles of consultation, including giving interested persons a reasonable opportunity to present their views.

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2.6 Council will ensure that in fulfilling the above requirements, the level of attention, consideration, disclosure, and consultation taken is in proportion to the significance of the decision.

3 Procedures for Assessing Significance

3.1 In general, the significance of an issue lies somewhere on a continuum from low to high. The Council has identified criteria to assess the degree of significance for the following areas:

- community well-being
- community interest
- consistency and variability
- impact on Council's capacity and capability

When a high degree of significance is indicated by factors or thresholds under two or more criteria, the issue is likely to be significant.

3.1 The criteria merely provide a trigger for identifying whether a matter is likely to be significant – they are provided to assist in the assessment of significance.

3.2 Criteria and Thresholds

Criterion	**3.3.1 Community Well-being** The extent to which the matter under consideration impacts on the social, economic, environmental, or cultural well-being of the community, now and in the future (Large impacts would indicate high significance).
Factors and Thresholds	Factors that might impact on community well-being are: a) A decision that would significantly alter the level of service provided by the Council of a significant activity (including a decision to commence or cease such an activity). b) The extent of costs, opportunity costs, externalities and subsidies. c) Uncertainty, irreversibility, and the impact of the decision in terms of the community's sustainability and resilience.
High **Large Impact**	Degree of Significance ⟷ Low **Little Impact**

Criterion	**3.3.2 Community Interest** The extent to which individuals, organisations, groups and sectors within the community are particularly affected by the matter.
Factors and Thresholds	Factors that would indicate a high degree of significance are: a) High levels of prior public interest, or the potential to generate high levels of interest or controversy. b) Large divisions in community views on the matter. c) A moderate impact on a large proportion of the community. d) A large impact on a moderate number of persons.
High **Large divisions in Community views**	Degree of Significance ⟷ Low **Good community agreement**

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3.2 Criteria and Thresholds *(continued)*

Criterion	**3.3.3 Consistency and Variability** The extent to which the matter is consistent with Council's current policy and strategy.
Factors and Thresholds	Factors that would indicate a high level of significance are: a) Decisions which are substantially inconsistent with current policies and strategies.

High	Degree of Significance	Low
Inconsistent with other strategy and policy	⟵⟶	**Consistent with other strategy and policy**

Criterion	**3.3.4 Impact on Council's Capacity and Capability** The impact of the decision on the Council's ability to achieve the objectives set out in its Long-term Financial Strategy, Long-term Plan and Annual Plan.
Factors and Thresholds	Factors that would indicate a high level of significance are: a) Transfers of strategic assets to or from council. b) High capital or operational expenditure. c) A financial transaction with a value of greater than 10% of rates revenue in the year of the decision.

High	Degree of Significance	Low
Large Impact	⟵⟶	**Little Impact**

4 Strategic Assets

4.1 Any decision that transfers ownership or control of a strategic asset to or from Council, can only be taken if "explicitly provided for" in the Long-term Plan.

4.2 Definition: Strategic assets are defined in section 5 of the Act as:

…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.

4.3 List Criteria: From the definition above, strategic assets to be listed in this policy include any asset of group of assets that Council determines to be important to achieving its community outcomes, or must be listed under clauses (b) and (c) above.

In addition, asset or groups of assets will be listed as strategic if Council ownership or control is essential to the long-term provision of the associated service.

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4.4 The Council will take a group or whole of asset approach. Without limiting the application of this provision to other assets, the following examples of the application of the Policy to group assets are given:

a) 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.

b) 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.

4.5 List of Strategic Assets

Asset	Strategic Importance
Equity in Wellington International Airport Limited	Listed under section 5 of the Act.
The public rental housing held by Council to maintain affordable housing	Strategic importance for social and economic well-being.
The sewage collection, treatment and disposal system, including the sewer network, pump stations and treatment works	Strategic importance for the delivery of all outcomes and well-beings.
The land drainage system, including the storm water pipe network, waterways, and retention areas.	
The water supply system, including reservoirs, pump stations and reticulation	
The roading network including the public transport infrastructure system	
The Council's brand, Absolutely Positively Wellington	
The core data set used to deliver Council services	
Waterfront land and assets held on trust by Wellington Waterfront Limited for Council	Assets of strategic importance for delivering social, cultural or environmental well-being. Services provided to the community include access to heritage, art, information and recreation. Linked to Connected City, People-centred City, Dynamic Central City and Eco-City outcomes.
The Town Hall and Convention Centre complex	
St James Theatre and Opera House, Embassy Theatre	
Artwork and literature collections, including public art and collections held by libraries	
The buildings and collections of the Museum of the City and Sea, City Gallery, Plimmer's Ark Gallery, Colonial Cottage Museum, Wellington Cable Car Museum and the Carter Observatory	
Reserves lands, including the Town Belt, land held under the Reserves Act and land used for parks, cemeteries, gardens, sports fields and recreational areas	
Swimming Pool Facilities	
The ASB Sports Centre	
Community Centres	
Wellington Zoo	
The Quarry	Strategic importance for social and economic well-being.