

Statement of Proposal on the draft Significance and Engagement Policy

Purpose

The purpose of this document is to inform the public and seek comments on changes to council's draft Significance and engagement policy.

Background

Council is required to adopt a significance and engagement policy under section 76AA of the Local Government Act (LGA), which may be amended from time to time. The policy enables council to determine the degree of significance for issues, and to provide clarity to councillors and the community about when council will engage, and how.

Council adopted a significance and engagement policy in 2021, as part of the previous long term plan process. This policy has now been reviewed and minor amendments and additions to the engagement thresholds are proposed.

Council is consulting in accordance with Section 82 of the LGA on these amendments to its Significance and engagement policy.

Proposal

Council proposes to adopt a Significance and engagement policy to be included in its Long Term Plan 2024-2034, which is largely similar to the current significance and engagement policy, but with some minor amendments as follows:

- Replacing the term 'issue' with 'matter for consistency across the document.
- Providing an explanation of Māori terms up front for clarity for the reader.
- An alteration to the explanation of what involve/engage means, to ensure better alignment with an internationally recognised engagement method.
- Under 'we will always consider', the addition of reference to the role of Māori as kaitiaki in their rohe, and clarification that council will engage with Māori in a way that is meaningful and appropriate to them. This is because our review of the existing policy found that potential impacts on iwi or hapū were not sufficiently considered and these changes are to rectify that.
- The addition of the Panguru Flood Scheme as a strategic asset, which it has become.
- The specific addition of Northport shares held by Marsden Maritime Holdings Ltd as a strategic asset, for clarity and completeness.
- Under the 'reviewing this policy' statement, the removal of the reference to the electoral cycle as it is no longer required and simplifies the policy for the reader.
- The addition of the Regional Economic Development Reserve to footnote three, relating to the expenditure limit threshold, as this reserve holds long-term investment funds.

The policy also has additions and alterations to the engagement thresholds for determining if a financial transaction is 'likely to be significant' (noting that any impact on rates is considered separately in this policy). Two or more of these thresholds must be triggered to require further consideration. The change increases the expenditure/financial transaction threshold from \$750,000 to \$1.3M. This is because the threshold is no longer appropriate for the level of revenue and transactions that council carries out. When the limit was set at \$750,000 in 2018 it was approximately 1.7% of council's total revenue. The limit is now proposed to increase to \$1.3M, which is the approximate equivalent of 1.7% of current council revenue (based on 2023/24). This is

considered appropriate for the current council revenue and is intended to future-proof the policy for the next three years.

An additional threshold requiring consideration of adaptation to climate change for any new matter and an additional consideration for matters that have the potential to impact on iwi or hapū have also been added. This is to ensure that any climate impacts are sufficiently considered in significant council decisions, in line with councils' strategy for tackling climate change, Nga Taumata o Te Moana, and the Te Taitokerau Climate Adaptation Strategy, and also to ensure that potential impacts on iwi or hapū are sufficiently considered. Neither of these issues were addressed in the existing policy.

The policy retains the requirement for council to consult before setting any new rate, increasing an existing targeted rate by any amount, or increasing an existing region-wide targeted rate by more than 2% (annually) above what was previously approved.

It also retains criteria for other decisions to be defined as 'significant' or 'likely to be significant'.

Assessment of options

The reasonably practicable options are:

- That council adopts an updated Significance and engagement policy with some or all of the changes outlined above; or
- That council retains its current Significance and engagement policy without amendments.

Making the amendments above and including the additions to the engagement thresholds allows for a more up to date policy that is concise and provides greater clarity on which issues engagement should occur. It also provides a policy that is more accurate, simple, and consistent.

Should the proposed amendments not be adopted, the policy will have inaccuracies and will not be as user-friendly; council will be operating under a model that requires a detailed assessment of significance for financial transactions that are becoming increasingly common; there will be no consideration required for climate impacts resulting in an approach that is out of step with other council strategies on climate, and; there will be no specific consideration required for impacts on iwi and hapū, resulting in an approach that is out of step with councils policy on Te Tiriti Partnerships with Māori, and with the "Tāiki ē" strategy and action plan for implementation of Council's Te Tiriti responsibilities to Māori.

It is noted that other threshold triggers are maintained, including large divisions in community interest, or substantial inconsistency with existing policy.

Submission process

Full copies of the draft Significance and Engagement Policy, and information on how to make a submission is available on the council website www.nrc.govt.nz/futureplan

The full draft Significance and engagement policy also forms part of the supporting information to the council consultation on the Long Term Plan 2024-2034 consultation document, which is also available on the website.