



## Application 2022-104 Brackens Ridge Project

Date submitted:	8 September 2022	Tracking #: BRF-2131				
Security level:	In-Confidence	MfE priority:	Urgent			

	Action sought:	Response by:
To Hon David Parker, Minister for the Environment	Decision on recommendations in Table A	To be advised

Actions for Minister's Office staff	<ol> <li>Return the signed briefing to MfE.</li> <li>Send attached letters (if signed) with accompanying template and links to application documents.</li> </ol>
Number of attachments: 3	Attachments:  1. Application documents for Brackens Ridge Project (Databox link)  2. Letter to Ministers – inviting comments on Brackens Ridge Project referral  3. Template for ministerial comment

#### **Ministry for the Environment contacts**

Position	Name	Cell phone	1 <sup>st</sup> contact
Principal Author	Alison Grayston		
Manager	Stephanie Frame	s 9(2)(a)	✓
Acting Director	Matthew Barbati-Ross	s 9(2)(a)	

# FTC#153: Application for referred project under the COVID-19 Recovery (Fast-track Consenting) Act 2020 – Stage 1 decisions

#### **Key messages**

- This briefing seeks your initial decisions on an application from Mount Soho Trust Limited to refer the Brackens Ridge Project (project) to an expert consenting panel (panel) under the COVID-19 Recovery (Fast-track Consenting) Act 2020 (the FTCA).
- 2. The project is to subdivide a 17.9 hectare site and construct a housing development at 175 McDonnell Road, Arrowtown, Otago. The project will create approximately 104 residential lots and up to 208 residential units (up to two units per lot). The application includes the associated infrastructure for the subdivision and development of the lots, including roading, walkways, street tree planting, reserves and constructing connections to three waters services.
- 3. The project will require land use and subdivision consents under the Queenstown Lakes District Plan, land use and discharge consents under the Regional Plan: Water for Otago and resource consents under the Resource Management (National Environmental Standards for Freshwater) Regulations 2020 (NES-F). The proposed activities would have overall non-complying activity status due to exceedances of permitted standards, including a higher density than identified in the Arrowtown South Structure Plan, the proximity of works to natural wetlands and works relating to culverts.
- 4. We have undertaken an initial (Stage 1) analysis of the referral application, and this is presented along with our recommendations in Table A.
- 5. The project meets all the eligibility criteria in section 18(3) of the FTCA, but more analysis is needed before we can advise you if they meet the purpose of the FTCA (thus satisfying section 18(2) of the FTCA) and advise you on matters in section 23(5) which may influence your referral decision.
- 6. We recommend you progress consideration of the application to the next stage of analysis (Stage 2) and invite comments from Queenstown Lakes District Council and Otago Regional Council and specific Ministers listed in section 21(6) of the FTCA.
- 7. We recommend that you invite comments from the Associate Minister for the Environment (urban policy) and infrastructure provider, Aurora Energy, as additional parties under section 21(3) of the FTCA.
- 8. We also recommend you request further information from the applicant as detailed in Table A.

#### Statutory framework summary

- 9. You are the sole decision maker for the referral application as the project will not occur in the coastal marine area.
- 10. You may decline the referral application before seeking comments from the relevant local authorities and any relevant Ministers:
  - a. if you are satisfied the project does not meet the referral criteria in section 18 of the FTCA, (which include helping to achieve the purpose of the FTCA) (see sections 18(2) and 23(1) of the FTCA)
  - b. for any other reason (see section 23(2) of the FTCA).
- 11. If you do not decline the referral application at this stage:

- a. you must provide the application to, and invite comments from, the relevant local authorities and the relevant Ministers prescribed by section 21(6) of the FTCA
- b. you may provide the application to and invite comments from any other person.
- 12. You are also able to request further information from the applicant or any relevant local authority at any time before you decide to decline or accept the referral application (see section 22 of the FTCA).

### **Action sought**

13. Please indicate your decisions on the recommendations in Table A.

## **Signature**

Stephanie Frame

Manager - Fast-track Consenting

Table A: Stage 1 initial assessment of project eligibility – projects where the Minister for the Environment is the only decision maker Project to progress

				Will project help to achieve the purpose of the FTCA? [section 18(2)]							
Project details	Project description	Project funding	Is project eligible for referral? [section 18(3)]	Economic benefits and costs for people or industries affected by COVID-19 [section 19(a)]	Effect on social and cultural wellbeing of current and future generations [section 19(b)]	Likelihood project will progress faster under the FTCA than would otherwise be the case [section 19(c)]	Public benefit [section 19(d)]	Potential for significant adverse environmental effects, including greenhouse gas emissions [section 19(e)]	Any other relevant matters [section 19(f)]	Recommendations	Minister's decisions
Name Brackens Ridge Project Applicant Mount Soho Trust Limited c/- J Carter Planning Location 175 McDonnell Road, Arrowtown, Otago	The project is to subdivide a 17.9 hectare site and construct a housing development at 175 McDonnell Road, Arrowtown, Otago. The project will create approximately 104 residential lots and up to 208 residential units (up to two units per lot) The application includes associated infrastructure for the subdivision and development of the lots, including roading, walkways, street tree planting, reserves and constructing connections to three waters services.  The project will require land use and subdivision consents under the Queenstown Lakes District Plan, land use and discharge consents under the Regional Plan: Water for Otago and resource consents under the Regional Plan: Water for Otago and resource consents under the Resource Management (National Environmental Standards for Freshwater) Regulations 2020 (NES-F).  The proposed activities would have overall non-complying activity status due to exceedances of permitted standards, including a higher density than identified	The applicant has provided a track record of delivered projects, and stated that the project will be funded through term deposits, borrowing and sales.  Due to the applicants track record, we do not have any concerns over funding or project delivery at this time.	Based on available information at this stage, we consider the project is eligible for referral because:  • it does not include any prohibited activities (see additional note below)  • it does not include land returned under a Treaty settlement  • it does not occur in a customary marine title area or protected customary rights area under the Marine and Coastal Area (Takutai Moana) Act 2011.  It is a prohibited activity under the Queenstown Lakes District Plan to erect any building, structure or fence within the Private Open Space Activity Area – Pastoral (POS-P2 and P3), except for pest-control fencing that defines the boundary of an adjoining Activity Area. The master plan for the project has been	Based on the information provided by the applicant we consider that the project may result in the following economic benefits:  • creating approximately 250 direct and 197 indirect full-time equivalent (FTE) jobs over a 5-year period  • contributing approximately \$37 million to national GDP  We recommend that you seek additional information from the applicant on job creation per year as opposed to the whole 5-year time period.	The project has the potential for positive effects on social wellbeing of current and future generations as it will:  • generate employment by providing 250 direct and 197 indirect FTE jobs over a 5-year period  • increase housing supply by enabling 104 primary residential units, and 104 secondary residential units	The applicant estimates that under standard Resource Management Act 1991(RMA) process it may take up to three years longer to gain consent for the project due to the likelihood of notification and possible appeals, and current delays in processing consents by Queenstown Lakes District Council (QLDC).  We recommend seeking comment from QLDC on the appropriateness of using the FTCA process.	Based on the information provided by the application we consider that the project may result in the following public benefits:  • generating employment.  • increasing housing supply.  • contributing to a well-functioning urban environment.	The project has the potential for adverse environmental effects arising from:	The proposed activities have overall non-complying activity status due to proposed building construction in areas not anticipated in the Arrowtown South Structure Plan and potential works in proximity to wetlands, which would require consent under the NES-F.  To provide confidence that a project with noncomplying activity status can be considered by a panel, and to understand the level of effects on wetlands, we recommend seeking a high level s104D RMA assessment from the applicant to assess how the project meets the 'gateway tests'.  There have been ongoing power outages in Arrowtown in June / July 2022. Aurora Energy have indicated that there will be a capital investment of \$49 million in the Queenstown Lakes network as part of Aurora Energy's \$563 million investment over five years to upgrade the electricity network in Otago.  Given the potential for adverse effects on existing energy infrastructure, we	<ul> <li>a. Note that section 23(3) of the FTCA permits you to decline the referral application without inviting comments from the relevant local authorities and any relevant Ministers.</li> <li>b. Note that you have not yet provided the application to, nor sought any comments on it from, relevant local authorities or relevant Ministers but that you are required to do so if you do not decline the application under section 23(3) of the FTCA.</li> <li>c. Note that section 21(3) of the FTCA permits you to forward an application to, and invite written comments from, any other person.</li> <li>d. Note that section 22 of the FTCA permits you to request further information from the applicant or relevant local authorities at any time before you decide whether to accept or decline an application.</li> <li>e. Agree to progress the Brackens Ridge Project to our Stage 2 analysis. The project warrants further analysis because it has potential to achieve the purpose of the FTCA but we need to consider some matters further before providing you with our final advice on the referral application.</li> <li>f. Agree to provide the application to, and invite comments from: <ul> <li>the Ministers listed in section 21(6)(a)—(m) of the FTCA</li> <li>the relevant local authorities—Queenstown Lakes District Council, and Otago Regional Council</li> <li>the following additional entities/persons under</li> </ul> </li> </ul>	Yes/No

				Will project help to achieve the purpose of the FTCA? [section 18(2)]							
Project details	Project description	Project funding	Is project eligible for referral? [section 18(3)]	Economic benefits and costs for people or industries affected by COVID-19 [section 19(a)]	Effect on social and cultural wellbeing of current and future generations [section 19(b)]	Likelihood project will progress faster under the FTCA than would otherwise be the case [section 19(c)]	Public benefit [section 19(d)]	Potential for significant adverse environmental effects, including greenhouse gas emissions [section 19(e)]	Any other relevant matters [section 19(f)]	Recommendations	Minister's decisions
	in the Arrowtown		designed to						recommend seeking	section 21(3) of the FTCA:	
	South Structure Plan, the proximity of works		ensure that there are no buildings						further comment at this stage from	o Aurora Energy	
	to natural wetlands and works relating to culverts.		located within POS-P2. (note that POS-P3 is located on the adjacent site and so is not applicable). We have reviewed this information and agree that the project is not a prohibited activity.						Aurora Energy.	g. Agree to seek further information from the applicant on an assessment of how the project meets the noncomplying 'gateway tests' in section 104D of the RMA, and job creation per year; and from Queenstown Lakes District Council on the appropriateness of using the FTCA process and effects on existing infrastructure.  h. Sign the attached letters to Ministers.	Yes/No
										i. Note that while awaiting comments from invited parties and further information, the Ministry for the Environment will, in consultation with the Office of Māori Crown Relations – Te Arawhiti, prepare a report for the purpose of section 17 of the FTCA.	

Signed:

on David Parker linister for the Environment	Date:	