



# FTC#64 Application for referred project under the COVID-19 Recovery (Fast-track Consenting) Act – Stage 2 decisions:

# Application 2021-64 - Ōmāhu Residential Development

Date Submitted:	28 June 2021	Tracking #: BRF-145	9
Security Level	In-Confidence	MfE Priority: Urgent	

	Action sought:	Response by:
To Hon David Parker, Minister for the Environment	Decisions on recommendations	ТВА

Actions for Minister's Office Staff	Return the signed briefing to MfE.
Number of appendices: 6	<ol> <li>Titles of appendices:</li> <li>Ōmāhu Residential Development application form and further information received</li> <li>Stage 1 Briefing Note and decisions</li> <li>Statutory framework for making decisions</li> <li>Draft Notice of Decisions letter to Urban Resort Limited/Icon Co Pty (NZ) Limited</li> <li>Section 17 Report</li> <li>Comments received from Ministers, Auckland Council and Auckland Transport</li> </ol>

# Ministry for the Environment contacts

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We			

# FTC#64: Application for referred projects under the COVID-19 Recovery (Fast-track Consenting) Act – Stage 2 decisions

# **Key Messages**

- This briefing relates to the application received under section 20 of the COVID-19 Recovery (Fast-track Consenting) Act 2020 (FTCA) from Urban Resort Limited/Icon Co Pty (NZ) Limited for referral of the Ōmāhu Residential Development project (the Project) to an expert consenting panel (a panel). A copy of the application is in Appendix 1.
- 2. This is the second briefing relating to this application. The first (Stage 1) briefing (BRF-26) with your initial decisions annotated is in Appendix 2.
- 3. The Project is located at 224 Great South Road, Remuera, Auckland. It is to construct and use land for a mixed-used development including approximately 205 residential units, local retail facilities, development of open space, and associated infrastructure and subdivision.
- 4. The Project will involve activities such as:
  - a. demolition of existing buildings and infrastructure
  - b. earthworks including bulk earthworks and the disturbance of contaminated soils
  - c. water takes and diversions
  - d. discharge of stormwater run-off and contaminants
  - e. construction of three waters services and internal laneways
  - f. construction of residential and commercial buildings
  - g. vehicles access and loading areas
  - h. development of open space including landscaping and planting
  - i. subdivision of land, including contaminated land.
- 5. We recommend you accept the referral application under section 24 of the FTCA and refer the Project to a panel for fast-tracking. We seek your decision on this recommendation and on our recommendations for requirements of the applicant, directions to a panel and notification of your decisions.

# Assessment against Statutory Framework

- 6. The statutory framework for your decision-making is set out in Appendix 3. You must apply this framework when you are deciding whether or not to accept the referral application and when deciding on any further requirements or directions associated with Project referral.
- 7. Before accepting the application, you must consider the application and any further information provided by the applicant (in Appendix 1), the Section 17 Report (in Appendix 5) and comments from Ministers, Auckland Council, and Auckland Transport (in Appendix 6). Following that, you may accept the application if you are satisfied that it meets the referral criteria in section 18 of the FTCA. We provide our advice on these matters below.
- 8. We have also considered if there are any reasons for declining the Project, including the criteria in section 23(5) of the FTCA, and provide our advice on these matters to assist your decision-making.

## Further information provided by applicant

9. In response to your request under section 22 of the FTCA the applicant provided further information on a number of matters. We have taken this information into account in our analysis and advice].

## **Section 17 Report**

- 10. The Section 17 Report indicates that there are 13 iwi authorities, six Treaty settlements and nine Treaty settlement entities relevant to the Project area.
- 11. No specific cultural or commercial redress provided under the settlements would be affected by the proposed Project, and the relevant Treaty settlements do not create any new cogovernance or co-management processes that would affect decision-making under the Resource Management Act 1991 (RMA) for this project.

#### **Comments received**

12. Comments were received from Ministers, Auckland Council and Auckland Transport. The key points of relevance to your decision are summarised in Table A.

#### s 9(2)(f)(ii), s 9(2)(g)(i)

- 14. Auckland Council has not explicitly stated whether they support or oppose referral of the Project and has raised a number of concerns that it considers are significant, including:
  - a. sufficiency of water supply and reticulation
  - b. standard of vested assets
  - c. capacity and constraints of the existing road network
  - d. the inclusion of non-residential space and activities in a residential zone.
- 15. Auckland Council has provided comments stating that the application is likely to result in significant adverse effects due to the capacity of water supply and wastewater services in the locality. This is supported by a comment from Watercare Services Limited (Watercare) which states that the existing wastewater network does not have the capacity to service the proposed development and requires that the application provide a comprehensive capacity assessment of the wastewater network up to the nearest 300mm diameter pipe.
- 16. We consider that the issues raised by Auckland Council can be addressed by additional information provided as part of consent application to the Environmental Protection Authority (EPA) or through appropriate conditions of consent.

# Section 18 referral criteria

- 17. You may accept the application for referral of the Project if you are satisfied that the Project does not include ineligible activities (section 18(3)) and will help to achieve the purpose of the FTCA (section 18(2)).
- 18. We confirm that the Project does not include ineligible activities, and therefore satisfies the requirements of section 18(3) of the FTCA, as explained in Table A.
- 19. The matters that you may consider when deciding if a project will help achieve the purpose of the FTCA are in Section 19 of the FTCA. Our assessment of these matters is summarised

in Table A. We confirm that the Project will help to achieve the purpose of the FTCA, and thus satisfy the requirements of section 18(2) as it has the potential to:

- a. have positive effects on social wellbeing
- b. generate employment
- c. increase housing supply
- d. progress faster by using the processes provided by the FTCA than would otherwise be the case under standard Resource Management Act 1991 process, provided that the applicant lodges their applications for resource consent in a timely manner following Project referral.
- 20. We consider that any adverse effects arising from the Project, together with any proposed mitigation, offsetting or compensation, could be appropriately tested by a panel against Part 2 of the RMA and the purpose of the FTCA.
- 21. The application material includes an Infrastructure Engineering Report which states that there is insufficient capacity in the existing system to accommodate post-development Peak Wet Weather wastewater Flow (PWWF). However, the report notes that the system cannot carry the current pre-development PWWF and that the applicant has the intention to work with Watercare to overcome the constraints by undertaking the necessary upgrades to the network. We consider that these capacity constraints can be addressed by the applicant through the provision of a comprehensively capacity assessment and considered by a panel as part of its assessment of effects. Therefore, we do not consider that you should decline the referral application on the basis of section 18(2).

#### **Issues and Risks**

22. Even if the Project meets the referral criteria in section 18 of the FTCA, section 23(2) of the FTCA permits you to decline to refer the Project for any other reason.

Section 23 FTCA matters

- 23. Section 23(5) of the FTCA provides further guidance on reasons to decline an application, and a summary of our analysis of these matters is in Table A. Note that you may accept an application even if one or more of those reasons apply.
- 24. The applicant considers that the Project is consistent with the objectives and relevant policies of the National Policy Statement for Urban Development 2020 (NPS-UD). Auckland Council agrees that the application is generally consistent with the outcomes envisioned in the NPS-UD. Therefore, we do not consider that you should decline this referral application under section 23(5)(c) of the FTCA.

#### Other matters

25. We have identified issues further to the matters identified above and our analysis of this is in Table A.

#### **Conclusions**

- 26. We do not consider there are any significant reasons for you to decline to refer the Project. We consider that you could accept the application under section 24 of the FTCA and that all of the Project could be referred to a panel.
- 27. If you decide to refer the Project, we consider that you should specify under section 24(2)(d) of the FTCA that the applicant must provide the following information, additional to the requirements of clause 9 of Schedule 6 of the FTCA, in an application submitted to a panel:
  - a. an integrated transport assessment, including, but not limited to, modelling and analysis that covers effects on Great South Road and Omahu Road, queuing effects and road safety assessment
  - b. a geotechnical report (including supporting groundwater monitoring to determine whether a water permit is required)
  - c. an acoustic report including a draft construction noise and vibration management plan (CNVMP)
  - d. an infrastructure report including three waters capacity and asset assessments
  - e. a flooding and stormwater capacity assessment
  - f. contamination reports (at least a Preliminary Site Investigation (PSI) and a Detailed Site Investigation if required by the PSI, and a Site Management Plan)
  - g. a heritage assessment which confirms whether the two bungalows on site are pre-1900 in age
  - h. scheme plans including staging plans and identification of assets to be vested in Council
  - i. consideration of whether consent is required under Auckland Unitary Plan Operative in Part (AUP(OP) Rules E7.4.1(A20), E30.4.1(A7), E36.4.1(A55), E38.4.1(A4), E40.4.1(A24)
- 28. The above information will inform a panel's assessment of the proposal's effects and whether to invite comment from persons or groups in addition to those specified in clause 17 Schedule 6 of the FTCA. This does not preclude a panel from requiring the applicant to provide any additional information on any application lodged with the EPA under the FTCA.
- 29. If you decide to refer the Project, we consider that you should specify under section 24(2)(e) of the FTCA that a panel must invite comments on a resource consent application from:
  - a. Auckland Transport, as the Project involves works in Auckland Transport's roading corridor and they are responsible for the safe and efficient operation of the local roading network and wider roading network
  - Watercare Services Limited, as the Project may adversely affect wastewater system capacity, which is managed by Watercare, and solutions will require collaboration with Watercare
  - c. Ngāti Koheriki Claims Committee, as the mandated entity which represents Ngāti Koheriki in Treaty settlement negotiations. The Project site falls within the Ngāti Koheriki area of interest but they do not have an Iwi authority or Treaty settlement entity recognised under the FTCA.
- 30. Our recommendations for your decisions follow.

## **Next Steps**

- 31. You must give notice of your decisions on the referral application, and the reasons for them, to the applicant and the persons, entities and groups listed in section 25 of the FTCA.
- 32. We recommend that if you decide to refer the Project, the notice of decisions should also be copied to Ngāti Koheriki Claims Committee.
- 33. We have attached a notice of decisions letter to the applicant based on these requirements and our recommendations (refer Appendix 4). We will assist your office to give copies to all relevant parties.
- 34. To refer the Project, you must recommend that a referral order be made by way of an Order in Council (OiC).
- 35. Cabinet has agreed that you can issue drafting instructions to the Parliamentary Counsel Office without the need for a policy decision to be taken by Cabinet in the first instance.<sup>1</sup>

#### Recommendations

## 36. We recommend that you:

- a. Note that section 23(1) of the COVID-19 Recovery (Fast-track Consenting) Act 2020 (FTCA) requires you to decline this application for referral unless you are satisfied that the Project meets the referral criteria in section 18 of the FTCA including that it would help to achieve the FTCA's purpose.
- b. **Note** that when assessing whether the Project would achieve the FTCA's purpose, you may consider a number of matters under section 19, including the Project's economic benefits and costs, and effects on social or cultural well-being; whether it may result in a public benefit (such as generating employment or increasing housing supply) and also whether it could have significant adverse effects.
- c. **Note** that if you are satisfied that all or part of the Project meets the referral criteria in section 18 of the FTCA you may:
  - refer all or part of the Project to an expert consenting panel (a panel)
  - refer the initial stages of the Project to a panel while deferring decisions about the Project's remaining stages
  - still decline the referral application for any reason under section 23(2) of the FTCA.
- d. Note that if you do refer all or part of the Project you may:
  - specify restrictions that apply to the Project
  - specify the information that must be submitted to a panel
  - specify the persons or groups from whom a panel must invite comments
  - set specific timeframes for a panel to complete their process.
- Note that before deciding to accept an application for referral under section 24(1) of

<sup>&</sup>lt;sup>1</sup> Following the first OIC, the Minister for the Environment (and Minister of Conservation for projects in the Coastal Marine Area) can issue drafting instructions directly to the Parliamentary Counsel Office. Cabinet has also agreed that a Regulatory Impact Assessment is not required for an OIC relating to projects to be referred to a panel [ENV-20-MIN-0033 and CAB-20-MIN-0353 refer].

the FTCA you must consider:

- the application
- the report obtained under section 17 of the FTCA
- any comments received
- any further information requested and provided within the required timeframe
- f. **Note** that the Local Board opposes the referral of the Project to a panel.
- g. **Agree** that the Ōmāhu Residential Development Project meets the referral criteria in section 18 (3) of the FTCA.

Yes/No

- h. **Agree** that the Project will help achieve the purpose of the FTCA (and therefore meets the referral criteria in section 18(2) of the FTCA) as it has the potential to:
  - have positive effects on social wellbeing by providing additional housing in an area that has been rapidly growing and has projected housing capacity shortfall in the medium term, and by providing a range of employment opportunities including jobs targeted to at-risk groups and the long-term unemployed
  - generate employment by providing up to 200 direct and 200 indirect full time equivalent (FTE) jobs per year across the three years of the Project
  - increase housing supply via the construction of 205 new residential units
  - progress faster by using the processes provided by the FTCA than would otherwise be the case, provided that the applicant lodges their applications for resource consent in a timely manner following Project referral.

Yes/No

Agree to refer all of the Project to a panel.

Yes/No

- j. **Agree** to specify under section 24(2)(d) of the FTCA the following additional information that the applicant must submit with any resource consent application lodged with the Environmental Protection Authority:
  - an integrated transport assessment, including, but not limited to, modelling and analysis that covers effects on Great South Road and Omahu Road, queuing effects and road safety assessment
  - a geotechnical report (including supporting groundwater monitoring to determine whether a water permit is required
  - an acoustic report including a draft construction noise and vibration management plan (CNVMP)
  - an infrastructure report including three waters capacity and asset assessments
  - a flooding and stormwater capacity assessment
  - contamination reports (at least a Preliminary Site Investigation (PSI) and a Detailed Site Investigation if required by the PSI, and a Site Management Plan)
  - a heritage assessment which confirms whether the two bungalows on site are pre-1900 in age

- scheme plans including staging plans, and identification of assets to be vested in Council
- consideration of whether consent is required under Auckland Unitary Plan Operative in Part (AUP(OP) Rules E7.4.1(A20), E30.4.1(A7), E36.4.1(A55), E38.4.1(A4), E40.4.1(A24).

Yes/No

- k. **Agree** to specify under section 24(2)(e) of the FTCA that a panel must invite comments from the following additional persons or groups:
  - Auckland Transport
  - Watercare Services Limited
  - Ngāti Koheriki Claims Committee.

Yes/No

I. **Agree** to the Ministry for the Environment issuing drafting instructions to the Parliamentary Counsel Office for an Order in Council to refer the Ōmāhu Residential Development Project to a panel in accordance with your decisions recorded herein.

Yes/No

m. **Sign the attached (Appendix 4)** notice of decisions to Urban Resort Limited/Icon Co Pty (NZ) Limited and **agree** to providing copies of the notice of decisions to Ngāti Koheriki Claims Committee.

Yes/No

n. **Note** that to ensure your compliance with section 25(3) of the FTCA, the Ministry for the Environment will publish the decisions, the reasons, and the Section 17 Report on the Ministry for the Environment's website.

**Signatures** 

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Stephanie Frame

Manager - Fast Track Consenting

**Date** 

Hon David Parker

Minister for the Environment

**Date** 

Table A: Stage 2 - Project Summary and Section 24 Assessment

Project description	Does all or part of the Proje	ct meet the referral criteria in section 18?	Summary of comments received	Section 23 assessment –	Referral conclusions & recommendations
details	Project eligibility for referral (section 18(3a - d))	Section 18(2) - Does the Project help achieve the purpose of the FTCA (as per section 19)?		potential reasons for declining	
The project requires subdivision and land use consents and discharge permits from Auckland Council and may require consent under the NES-CS.		The Project has the potential for adverse environmental effects, including on:  • traffic/transport including access to Great South Road  • amenity and neighbourhood character  • stormwater disposal  • noise and dust  • infrastructure including three waters services  • land stability  • disturbance of contaminated soils  • significant tree  • archaeological and heritage Values  The applicants have provided details of mitigation measures to address potential adverse effects and have confirmed that technical experts have completed a range of supporting assessments. The applicants advise that subject to appropriate mitigation, the proposed activities will not result in significant adverse environmental effects.  We note that you do not require a full assessment of environmental effects and supporting evidence to make a referral decision, and that a panel will assess environmental effects and appropriate mitigation should you decide to refer the Project.  Other relevant matters (19(f)):  The Laura Ferguson Rehabilitation  Centre formerly occupying the site closed in 2020. Development of the site has been subject to public interest due to opposition to the closure and sale of a facility which provided support for those with disabilities.	Auckland Council notes that while their opinion during multiple pre-application meetings with the applicant was that the application should be made on a publicly notified basis, in overall terms it considers that the proposal can be progressed through the fast-track process.  Auckland Council has also raised concerns that it considers are significant including sufficiency of water supply and wastewater reticulation capacity, capacity and constraints of the existing roading network, effects of construction and operational noise, quality of vested assets, and the inclusion of non-residential spaces and activities in a residential zone.  Auckland Council has identified a range of information and technical reports that should accompany consent applications to a panel and has provided details of regulatory compliance history of the applicant.  Auckland Council referred the application to Auckland Transport, Watercare, Healthy Waters, the Albert-Eden Local Board, Plans and Places and included their comments in the local authority response.  Auckland Transport  Auckland Transport neither supports nor opposes the referral of the Project to a panel.  Auckland Transport requests that the applicant is required to provide an Integrated Transport Assessment (ITA) to support their development and that this is requested under s24(2)(d) of the FTCA. This is considered particularly relevant in this scenario as Auckland Transport does not currently have the level of assessment required (Assessment of Environmental Effects, ITA and Road Safety Audit) to determine the effects of the proposal.  Auckland Transport also notes that the site frontage along Great South Road is within Auckland Transport Designation 1618 for road widening, which extends for approximately 2.2km. Auckland Transport also, therefore, requests that the applicant is required to apply to Auckland Transport as Requiring Authority pursuant to s176(1)(b) of the Resource Management Act 1991 (RMA) for works within a designation, prior to lodging a consent application	Involves land needed for Treaty settlements (23(5)(e))  The project site does not include land needed for treat settlement purposes.  Applicant has poor regulatory compliance (23(5)(f))  Auckland Council has not identified any environmental regulatory compliance history for the applicant.  Insufficient time for the Project to be referred and considered before FTCA repealed (23(5)(g))  There is sufficient time for the application to be referred and considered before the FTCA is repealed.  Other issues & risks:  N/A	do not recommend including this direction to the applicant under section 24(2)(d) of the FTCA.  Recommendations  There are no reasons to decline to refer the Project. We recommend that you accept the application under section 24 of the FTCA and refer all of the Project to a panel.  We recommend that you do not place any restrictions on the Project, nor impose any specific timeframes for panel consideration.  We recommend that you make the following directions to the panel:  • to invite comments from Auckland Transport, Watercare Services Limited and Ngāti Koheriki Claims Committee in addition to those parties specified in clause 17(6) of Schedule 6 of the FTCA.  We also recommend that you require the applicant to submit the following information with any consent application lodged with the EPA:  • an integrated transport assessment, including but not limited to analysis and modelling that covers effects on Great South Road and Omahu Road, queuing effects and a roading safety assessment  • a geotechnical report (including supporting groundwater monitoring to determine whether a water permit is required  • an acoustic report including a draft construction noise and vibration management plan (CNVMP)  • an infrastructure report including three waters capacity and asset assessments  • a flooding and stormwater capacity assessment  • contamination reports (at least a Preliminary Site Investigation (PSI) and a Detailed Site Investigation if required by the PSI, and a Site Management Plan)  • a heritage assessment which confirms whether the two bungalows on site are pre-1900 in age scheme plans including staging plans, and identification of assets to be vested in Council  • an assessment of whether consent will be required under Auckland Unitary Plan Operative in Part (AUP(OP) Rules E7.4.1(A20), E30.4.1(A7), E36.4.1(A55), E38.4.1(A4), E40.4.1(A24)

# **Schedule of Appendices and Attachments**

Appendix 1 – Ōmāhu Residential Development – Application form and additional information received

Appendix 2 – BRF-26 FTC57 – Application for referred project under the COVID-Recovery FTCA - Stage 1 decisions on Ōmāhu Residential Development project

Appendix 3 – Statutory framework for making decisions

Appendix 4 – Draft Notice of Decisions letter to Urban Resort Limited/Icon Co Pty (NZ) Limited

Appendix 5 – Section 17 Report

Appendix 6 - Comments received from Ministers, Auckland Council and Auckland Transport