



Consents in the fast lane

The Government's planned fast-track process for resource consents has the potential to spark greater market activity and innovation in the commercial, residential and industrial property sectors.

All eyes in the commercial property sector are on the Government as it finalises fast-track resource consenting legislation, first announced late last year as part of its 100-day Action Plan.

In early March, the Government expanded on its plans for the Fast-track Approvals Bill, outlining one-stop-shop, fast-track consenting legislation that would see eligible projects of regional or national significance referred by ministers to an expert panel. That panel would have a maximum six months to make recommendations, before referring back to the relevant minister, who would make the final decision.

Bayleys national director customer engagement & advisory Paula Bennett says the Fast-track Approvals Bill,

currently before select committee, has the potential to unlock projects currently frozen due to bureaucracy and red tape.

"There are significant infrastructure and commercial projects that are shovel ready and much needed to spark growth in the economy and improve the country's productivity."

In announcing the bill, RMA Reform Minister and Infrastructure Minister Chris Bishop said projects would become eligible for fast-track either through a joint-decision referral by the Ministers of Infrastructure, Regional Development (Shane Jones) and Transport (Simeon Brown), or by being a listed project in Schedule 2A of the bill.

Schedule 2A will contain projects considered consent-ready and will automatically be referred to the fast-track process once the bill passes into law. The bill will also include a Schedule 2B list of projects, identified as of regional or national significance, which the government is keen to progress but which are not yet "consent-ready".

No specific projects are yet included in the bill. A fast-track advisory group will be established to advise on projects to include, with cabinet making the final decision. Once the bill is law, other projects (not included in Schedule 2A or 2B) can be referred to the ministers to be considered for fast-tracked consenting.

"The fast-track consenting regime targets major projects that will provide significant regional and/or national benefit. Any person or organisation can apply to have their project fast-tracked, and a broad range of activities, including infrastructure, renewable energy, housing, and mining, will be considered," Bishop says.

Key impacts of the bill are expected to be improved speed and simplicity of the consenting process, particularly for large, complex projects.

"One of the unique elements of this process is that it's a one-stop shop. It's the RMA processes, various permits required under Conservation Act, the Wildlife Act, the Heritage Act, and the Public Works Act.

"The intention is that an applicant will apply. Ministers will say 'that's a project of regional significance or national significance'. We send it on to a panel who will then work at pace to apply the relevant conditions across the various statutes.

"If it comes back to ministers for approval, all of those various different things that are required for a project to get up and running are granted. That's a very important element of the process," Bishop said.

The bill should free up red tape that has been holding back New Zealand's



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commercial property sector, he says. "The Bill provides a faster and more efficient process to get approvals for projects with significant regional or national benefits, including mixed-use, commercial and residential developments.

"Streamlining multiple approval processes into a one-stop shop consenting regime will deliver nationally and regionally significant infrastructure and increase the supply of housing and address housing needs."

At the bill announcement in March Prime Minister Christopher Luxon said: "This new consenting regime means we'll be able to get big projects built much faster and much more cost effectively. Our new fast-track regime will lift New Zealand's living standards, it will lift productivity, and it will grow our economy, all while still protecting Treaty settlements and our environment.

"A major problem in New Zealand is that we're spending \$1.3 billion a year on resource consenting, and the time to get resource consent has doubled in the last five years, that comes to an end."

Bennett says the bill is recognition of the issues impeding the country's economic development.

"In many cases the system is broken, extreme delays in consenting means that much-needed infrastructure and housing is not going ahead.

"There is also the very real risk that if we don't get large-scale projects on the go, we will lose experienced tradespeople, who we are already short of, because they will look overseas for opportunities.

"Bayleys is privileged to work with a wide range of outstanding partners who care about people and the environment of this country. They want to build something they can be proud of," she says. "It makes sense to have a pipeline of projects the ministers can fast-track to ensure that we keep our country moving."

Freeing up large projects from the time-consuming and expensive resource consent process should help create an environment more conducive to market activity and innovation from commercial, industrial and logistical developers and operators, she says.

"A more timely and streamlined path through the resource consenting process should help make the costs of large projects more predictable and manageable, reducing risk."

Property Council New Zealand (PCNZ) chief executive Leonie Freeman says that organisation has been a supporter of fast-track consenting legislation since it was introduced as part of the response to COVID-19 in 2020.

The COVID-19 Recovery (Fast-track Consenting) Act 2020 saw the introduction of legislation focused on employment to support New Zealand's recovery from the economic and social impacts of COVID-19. However, it also saw many projects get the green light to proceed, reducing red tape, consenting timeframes, and project costs.

That legislation was repealed in July 2023, and incorporated into the Natural and Built Environment Act 2023.

The importance of keeping fast-track consenting legislation as a partial solution to New Zealand's wider consenting issues has been seen by all sides of the House in parliament, Freeman says.

"New Zealand's consenting process is riddled with delays, rigid in nature, and hinders innovation. For too long, our resource consent system has been slow, adding costs to overall projects," she says.

"Less than 18 months ago, the industry was facing serious supply shortages. The inability to substitute products through the resource consent process and add flexibility within the New Zealand market has caused a major headache for the sector."

Freeman adds that while the proposed fast-track legislation will address concerns around length of waiting times for consents, along with improving certainty in the market, it is just one piece of New Zealand's consenting puzzle.

"We can't talk about the consent process without acknowledging the difficulties that building consent authorities - usually local councils - face. Without changing the current risk, liability and insurance settings, the building consent system will continue to hinder innovation.

"The property industry has voiced its willingness to hold a fair and proportionate risk when manufacturing, designing or developing their products and buildings. This would help reduce a council's risk and better enable future development and innovation."

PCNZ also has some concerns that an accelerated consent and development process could place additional resourcing pressures, not only on the country's ongoing skills shortages in many infrastructure and construction sectors, but also in relation to the expert panels.

"In the long run, New Zealand's small resource and expertise pool could be exhausted which could be a more difficult problem to tackle. It will involve a range of solutions to increase and incentivise New Zealand's talent pool."

A long-time advocate of build-to-rent housing in New Zealand, Property Council would like any fast-tracking consenting process to also help facilitate large-scale residential developments, Freeman says. "According to Statistics NZ figures, since 2019 the cost of building a house has increased by 41 percent. There is a real opportunity for fast-track consenting legislation



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to incorporate housing projects from standalone to build-to-rent on scale to reduce overall costs.

"Fast-track consenting legislation is a huge opportunity for the Government to consider what has worked well, and what can be improved on from the COVID-19 fast-track legislation.

"In terms of efficiency, there is a sweet spot of enabling more complex projects to be put towards an Environmental Protection Authority (EPA), but ensuring that the project is not so complex that it slows up the system."

The Government intends for the Fast Track Approval Bill to be passed into law by the end of this year, at which point applications can be made to have projects fast-tracked.

Fast-track consenting at a glance

- A new fast-track process is contained in a standalone bill, now before select committee.
- Regionally and nationally significant infrastructure and development projects will be prioritised.
- Under the bill projects meeting certain criteria will be referred to an expert panel for assessment. Their recommendations will then go to ministers.
- The expert panel has a maximum of six months to make recommendations. Ministers make final decisions and can request a shorter timeframe.
- Only ministers can decline projects. The Expert Panel may recommend declining if the project can't mitigate the adverse effects through conditions. This will be at the discretion of the Minister.
- A list of projects will be named in the bill, in schedule 2A. These will be automatically fast-tracked to the expert panel for assessment once the bill is law. Projects to be included in Schedule 2A will be recommended by a Fast-Track Advisory Group.
- Other projects (not included in Schedule 2A or 2B) can be referred to the minister to be considered for fast-tracked consenting.
- The Expert Panel will have a maximum six months to make recommendations; ministers make final decision.
- The process is intended as a "one-stop-shop" where projects can receive all relevant permissions such as those required under Conservation Act, the Wildlife Act, the Heritage Act, the Public Works Act, the Fisheries Act and others as well as the RMA.