



AGENDA

Environmental Services Committee Meeting

Tuesday, 30 July 2024

Date Tuesday, 30 July 2024

Time Following Council Meeting

Location Council Chamber
District Council Building
King George Place
Timaru

File Reference 1688427

Timaru District Council

Notice is hereby given that a meeting of the Environmental Services Committee will be held in the Council Chamber, District Council Building, King George Place, Timaru, on Tuesday 30 July 2024, at Following Council Meeting.

Environmental Services Committee Members

Clrs Michelle Pye (Chairperson), Owen Jackson (Deputy Chairperson), Sally Parker, Gavin Oliver, Stu Piddington, Allan Booth, Peter Burt, Tewera King (Mana Whenua), Stacey Scott, Scott Shannon and Mayor Nigel Bowen

Quorum – no less than 5 members

Local Authorities (Members' Interests) Act 1968

Committee members are reminded that if you have a pecuniary interest in any item on the agenda, then you must declare this interest and refrain from discussing or voting on this item, and are advised to withdraw from the meeting table.

Paul Cooper

Group Manager Environmental Services

Order Of Business

1	Apologies	5
2	Public Forum	5
3	Identification of Items of Urgent Business.....	5
4	Identification of Matters of a Minor Nature	5
5	Declaration of Conflicts of Interest	5
6	Chairperson’s Report.....	5
7	Confirmation of Minutes	6
7.1	Minutes of the Environmental Services Committee Meeting held on 11 June 2024.....	6
8	Reports	12
8.1	Actions Register Update.....	12
8.2	District Plan Review Project Update	14
8.3	Submission to the Ministry of Business Innovation and Employment (MBIE) on “Making it easier to build granny flats”	18
9	Consideration of Urgent Business Items.....	56
10	Consideration of Minor Nature Matters.....	56
11	Public Forum Items Requiring Consideration.....	56

- 1 Apologies**
- 2 Public Forum**
- 3 Identification of Items of Urgent Business**
- 4 Identification of Matters of a Minor Nature**
- 5 Declaration of Conflicts of Interest**
- 6 Chairperson's Report**

7 Confirmation of Minutes

7.1 Minutes of the Environmental Services Committee Meeting held on 11 June 2024

Author: Rachel Scarlett, Governance Advisor

Recommendation

That the Minutes of the Environmental Services Committee Meeting held on 11 June 2024 be confirmed as a true and correct record of that meeting and that the Chairperson's electronic signature be attached.

Attachments

- 1. Minutes of the Environmental Services Committee Meeting held on 11 June 2024**



MINUTES

Environmental Services Committee Meeting Tuesday, 11 June 2024

Ref: 1688427

**Minutes of Timaru District Council
Environmental Services Committee Meeting
Held in the Council Chamber, District Council Building, King George Place, Timaru
on Tuesday, 11 June 2024 at 10.01am**

- Present:** Ctrs Michelle Pye (Chairperson), Owen Jackson (Deputy Chairperson), Sally Parker, Gavin Oliver, Stu Piddington, Allan Booth, Peter Burt, Stacey Scott, Scott Shannon
- In Attendance:** **Community Board Members:** Charles Scarsbrook (Temuka Community Board), Michael Thomas (Pleasant Point Community Board), Janene Adams (Geraldine Community Board)
- Officers:** Nigel Trainor (Chief Executive), Paul Cooper (Group Manager Environmental Services), Beth Stewart (Group Manager Community Services), Stephen Doran (Group Manager Corporate and Communications), Nicole Timney (Group Manager Property), Suzy Ratahi (Land Transport Manager), Ashley Harper (Water Reforms Advisor), Grant Hall (Principal Three Waters Specialist), Jessica Kavanaugh (Team Leader Governance), Rachel Scarlett (Governance Advisor)

1 Apologies

1.1 Apologies Received

Resolution 2024/11

Moved: Deputy Chairperson Owen Jackson

Seconded: Ctr Allan Booth

That the apology of Mayor Nigel Bowen be received and accepted.

.Carried

2 Public Forum

There were no public forum items.

3 Identification of Items of Urgent Business

No items of urgent business were received.

4 Identification of Matters of a Minor Nature

No matters of a minor nature were raised.

5 Declaration of Conflicts of Interest

No items of urgent business were received.

6 Chairperson's Report**6.1 Presentation of Chairperson's Report****Resolution 2024/12**

Moved: Chairperson Michelle Pye

Seconded: Cllr Scott Shannon

The Chairperson has attended a number of meetings including; Council meeting, LTP Engagements, The Pleasant Point & Cave ANZAC day services, a meeting regarding Rangitata Hut Residents and Camp Ground Users, Aoraki Foundation Partners Event, Canterbury Mayor Forum Climate Change Action Reference Group, discussion about the continuation of the governance group, LGNZ Ākōna online session on Climate Adaption for Councils, Aorangi Stadium Key User Group Meeting, City Town Master Plan Stakeholder Workshop, and visited the nursery at Arowhenua with the Ōrāri Temuka Ōpihi Pareora Water Zone Committee.

Carried

7 Confirmation of Minutes**7.1 Minutes of the Environmental Services Committee Meeting held on 16 April 2024****Resolution 2024/13**

Moved: Cllr Scott Shannon

Seconded: Cllr Stacey Scott

That the Minutes of the Environmental Services Committee Meeting held on 16 April 2024 be confirmed as a true and correct record of that meeting and that the Chairperson's electronic signature be attached.

Carried

8 Reports**8.1 Actions Register Update**

The Chairperson spoke to this report to provide the Environmental Services Committee with an update on the status of the action requests raised by councillors at previous Environmental Services Committee meetings.

Update Included:

1. The action 'Workshop on Vehicle fleet' to be removed from the Actions Register and moved to the Infrastructure Committee Actions Register.
2. The action 'Workshop for Water Zone Committee Outcomes (ECAN Review)' is currently underway.

Resolution 2024/14

Moved: Clr Gavin Oliver
Seconded: Clr Stu Piddington

That the Environmental Services Committee receives and notes the updates to the Actions Register.

Carried

9 Consideration of Urgent Business Items

No items of urgent business were received.

10 Consideration of Minor Nature Matters

No matters of a minor nature were raised.

11 Public Forum Items Requiring Consideration

There were no public forum items.

12 Exclusion of the Public

Resolution 2024/15

Moved: Clr Scott Shannon
Seconded: Clr Sally Parker

That the public be excluded from the following parts of the proceedings of this meeting on the grounds under section 48 of the Local Government Official Information and Meetings Act 1987 as follows at 10.08am.

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Plain English Reason
13.1 - Public Excluded Minutes of the Environmental Services Committee Meeting held on 16 April 2024	s7(2)(b)(ii) - The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information	To protect commercially sensitive information

Carried

13 Public Excluded Reports

13.1 Public Excluded Minutes of the Environmental Services Committee Meeting held on 16 April 2024

14 Readmittance of the Public

Resolution 2024/16

Moved: Clr Peter Burt

Seconded: Clr Sally Parker

That the meeting moves out of Closed Meeting into Open Meeting at 10.11am.

Carried

The Meeting closed at 10.11am

.....
Clr Michelle Pye
Chairperson

8 Reports

8.1 Actions Register Update

Author: Rachel Scarlett, Governance Advisor

Authoriser: Stephen Doran, Group Manager Corporate and Communications

Recommendation

That the Environmental Services Committee receives and notes the updates to the Actions Register.

Purpose of Report

- 1 The purpose of this report is to provide the Environmental Services Committee with an update on the status of the action requests raised by councillors at previous Environmental Services Committee meetings.

Assessment of Significance

- 2 This matter is assessed to be of low significance under the Council's Significance and Engagement Policy as there is no impact on the service provision, no decision to transfer ownership or control of a strategic asset to or from Council, and no deviation from the Long Term Plan.

Discussion

- 3 The Actions register is a record of actions requested by councillors. It includes a status and comments section to update the Environmental Services Committee on the progress of each item.

Attachments

1. Environmental Services Committee Actions Required [!\[\]\(8355073e142dc50a1ca12e74a2b70822_img.jpg\)](#) 

Information Requested from Councillors (Environmental Services Committee)

Information Requested	Workshop for Water Zone Committee Outcomes (ECAN Review)		
Date Raised:	16 April 2024	Status:	Open
Issue Owner	Group Manager Environmental Services	Completed Date:	
Background: It is requested that a informal workshop be organised by the Group Manager Environmental Services regarding objectives they want to come out of the Water Zone Committees following a Ecan review.			
Update: There was a workshop held on 8 July 2024, with another one planned for 6 August 2024 at 3pm to discuss what next for OTOP and the 'New Regional Policy Statement', a more comprehensive update of the outcomes will follow at the Environmental Services Committee Meeting on 27 August 2024.			

8.2 District Plan Review Project Update

Author: Aaron Hakkaart, Planning Manager - District Plan Review

Authoriser: Paul Cooper, Group Manager Environmental Services

Recommendation

That the Environmental Service Committee receive and note this report.

Purpose of Report

- 1 The Proposed Timaru District Plan was notified in September 2022, and has progressed to the hearing of submissions received on the proposed plan. This report provides the Environmental Services Committee an update on the overall progress of the project, and in addition highlights any external factors that may impact on the overall delivery of the project.

Assessment of Significance

- 2 This report provides an update on an existing project and is not significant in terms of Council's Significance and Engagement Policy.

Discussion

Background

- 3 The Proposed Timaru District Plan sets the direction for growth within the Timaru District. The review of the district plan commenced in October 2014 and has been on-going since then with significant resources allocated to the process including the preparation of supporting documents such as the Growth Management Strategy. Stakeholder engagement occurred throughout the development of the plan, in addition to the formal consultation as part of the Resource Management Act 1991 notification process.
- 4 The Proposed Timaru District Plan has now entered the hearings stage; with a panel of Commissioners appointed by Timaru District Council to hear the submissions and make decisions. Hearing A occurred on the 8th and 9th of May 2024 and Hearing B from the 22nd to 25th of July 2024. A full hearing schedule has been prepared and seeks to finish hearings in July 2025, with the intent being a decision be issued in the months that follow. An application to the Minister for the Environment is being lodged seeking a time extension to allow for the completion of the hearings as currently scheduled.
- 5 Resources have been allocated to each hearing and additional expert to support those authors are contracted on an as needed basis. During the preparation of reports for each hearing the project team endeavours to talk to submitters, where such a conversation further informs the recommendations, and allows for potential resolution or understanding of key points to occur prior to the hearing. The scale of submissions received means that such conversations do not occur with every submitter.
- 6 The multifaceted nature of the proposed plan means that a single site may be impacted by matters that are being heard across different hearings. The nature of the National Planning Standards means this is unavoidable. The impact of this national approach means that

significant work by the project team and subsequently the panel needs to occur to ensure integration of recommendations and subsequent decisions.

- 7 Considering learnings from Hearing A and those gained in the preparation for Hearing B the work program has been adjusted to reflect the areas for improvement that arose. There is confidence that the changes made will result in a more comprehensive process, with better outcomes for the project.
- 8 Pleasingly, the number of submitters that have attended Hearing A and B is less than predicted. Some submitters have written to the Panel to confirm that they no longer wish to be heard and support the recommendation made by the Council reporting officer. This is helpful for the panel, and with less sitting days than anticipated there are associated savings from a time and cost perspective.

Future Hearings

- 9 Hearing C and D are scheduled to occur in September and November respectively. Hearing C will address submissions received on Natural Environmental Values (including Outstanding Natural Landscapes, Significant Natural Areas and the Coastal Environment) and Natural Hazards and Risks. Hearing D will address submissions on Cultural Values (including Māori Purpose Zones and Sites and Areas of Significance to Māori), Historic Heritage and Open Space Zones.
- 10 The topics in Hearing C and D have received numerous submissions and the project team has spent significant time reviewing and understanding the submissions received. Technical input has been commissioned to help inform recommendations. Following this initial review, it is intended to complete discussions with submitters where additional conversations will support better recommendations to the panel. Such discussions have been occurring in relation to Hearing C and will commence shortly in relation to Hearing D.
- 11 Hearing E is scheduled for February 2025, and will address the infrastructure and subdivision topics. Work on these topics is currently commencing with authors reviewing and understanding the submissions received before issuing briefs to technical experts. The nature of these topics means that significant work will occur internally between departments to ensure alignment, whilst seeking to ensure all unintended consequences are considered before recommendations are made to the panel.
- 12 Hearing F will occur in April 2025 and will cover district wide matters such as noise and lighting. Reporting officers have been allocated to topics and will commence work on preparation for this hearing shortly.
- 13 Hearing G is scheduled to occur in July and will consider those submissions which seek additional growth within the district as well as addressing any other outstanding matters that have not been heard. Work on the growth aspect of this hearing has already commenced with the engagement of a reporting officer, and the associated development of a methodology to assess these submissions.
- 14 The approach to growth is different to those of other topics with the panel having provided direction seeking additional reporting. This includes the circulation of a draft report that outlines further information that is required to fully enable an assessment of the submission. These submissions will also be considered against higher order statutory documents such as the National policy Statements for Urban Development and Highly Productive Land.

- 15 The delivery of the above-mentioned hearings will mean that all submissions on the proposed plan will have been heard. It is then anticipated that the panel will be able to issue any final directions and then progress towards the issuing of a decision. The issuing of decisions will be a major milestone and allow for the plan to enter the next stage, which will involve responding to any appeals, and subsequently making the plan fully operative.

Delivery of the Current Work Program

- 16 As noted above adjustments to the work program to reflect learnings from Hearing A and those from the preparation for Hearing B has provided clarity around gaps that existed in previous processes. There is confidence in the processes that exist, and the current hearing program is anticipated see the last hearing occur in July next year. The issuing of decisions will be a significant milestone for Council, with the project having made significant progress over the last six months.

Future Changes to the District Plan

- 17 Consideration has been given to the best way to respond to the ever changing legislative and economic environment. It is recognised that the district plan is an essential tool in providing for well planned growth, through ensuring sufficient land is available for development. The district plan ensures that there are standards in place to manage this growth in a way that ensures it occurs in a way that is appropriate for the community it serves.
- 18 The Proposed District Plan identifies Future Development Areas (FDA's), with development horizons. Work has already commenced on the background work to facilitate the implementations of FDA's 1,2 and 4, providing for anticipated residential growth for Timaru. An approach to providing for industrial growth in Timaru is currently being assessed, with the intent being to provide Council with a proposal to create a work program for achieving the creation of appropriately zoned land.
- 19 Further work programs around other townships and areas within the district will be investigated as the review process is completed. The nature of submissions received means growth is to be further assessed as part of the current hearings process. Where the growth outcomes need to be revisited (such as giving effect to FDA's) it is recommended that this is best addressed through a variation to the proposed plan once decisions have been issued; or via plan changes once the proposed plan is fully operative. This will enable the timely issue of decisions and remove uncertainty around the outcomes of the already commenced process.

Legislative Changes

- 20 The proposed legislative changes recently announced do not appear to have a significant impact on the way growth is to be provided for Councils that are not identified as being Tier 1 and 2 (Timaru is a Tier 3 Council). Despite this there is an opportunity to utilise tools that exist for Tier 1 and 2 Councils to understand and reflect the growth needs of Timaru. It is recommended that this form part of the work program going forward, to ensure all work meets best practice guidelines and is fit for purpose.

Conclusion

- 21 This report has provided a high-level update on the progress of the Proposed Timaru District Plan. The project is currently being delivered in accordance with existing timeframes and has been meeting all associated deadlines.

Attachments

Nil

8.3 Submission to the Ministry of Business Innovation and Employment (MBIE) on “Making it easier to build granny flats”

Author: Jayson Ellis, Building Control Manager

Authoriser: Paul Cooper, Group Manager Environmental Services

Recommendation

That the council approve this draft submission to the Ministry of Business Innovation and Employment (MBIE) on “Making it easier to build granny flats”.

Purpose of Report

- 1 The purpose of this report is to present a draft submission (Attachment 1) for the Environmental Services Committee for approval on the proposed changes to the Building Act 2004 and the Resource Management Act 1991 relating to the proposal of making a dwelling (Granny flat) up to 60m² in floor area exempt from requiring a building consent and a resource consent (should one be required).

Assessment of Significance

- 2 This matter is of low significance in terms of the Timaru District Council Significance and Engagement Policy as this is submitting on a government process and normal Council procedure.

Background

- 3 One of the Government focuses is to look at ways to reduce the construction costs of buildings and to streamline the consenting process of building work. A proposal from Government is that a dwelling house (Granny flat) of a floor area up to 60m² should be exempt from requiring a building consent and or a resource consent.
- 4 The success of this proposal is dependent on the government ensuring that the standard safeguards and environmental effects will continue to be met even with the absence of council oversight, saying that “we want these to be good homes”.

Discussion

- 5 A MBIE discussion document (Making it easier to build granny flats), (Attachment 2) is open for feedback. The Council submission is focussed on the potential issues, opportunities and impacts for councils.
- 6 Should this proposal become law, the important issues for council to be aware of and understanding of the various impacts are highlighted below, but not limited to:
 - Council’s liability.
 - Council’s ability to manage non-compliances.
 - A reduction in consenting volumes.

- Managing connections to council infrastructure.
 - How to record these buildings on council files.
 - Managing complaints and enforcement action.
 - How council can appropriately apportion rates to these buildings.
- 7 Whilst there is a risk of only focusing on the issues, it is also just as important to consider solutions that may support the successful implementation and ongoing management of these changes. These may include, but not limited to:
- Creating greater incentives for the implementation and use of the Building (Modular Component Manufacturer Scheme) Regulations 2022.
 - A more streamlined and cost-effective process to register a National Multi-use Approval.
 - Review the Licenced Building Practitioner scheme to ensure it is better placed to manage building work not requiring a building consent.
- 8 The conversations and commentary from the government ministers leading into the drafting of this report have provided a clear view on the direction this proposal is heading. Therefore, the ability for council to explore further options is limited, resulting in the need to focus on how to assist the government to achieve their stated goals, rather than simply list potential issues.

For further details please refer to the attached draft submission which will outline in greater context the issues and how the current tools within the Building Act 2004 can assist with the implantation of these changes.

Options and Preferred Option

- 9 Option 1 (Preferred) is to approve the draft submission to Government with or without amendments identified by Committee members. It is considered important that the Timaru District Council concerns and recommendations are presented to government and this opportunity to provide a submission is taken.
- 10 Option 2 is that Timaru District Council does not make a submission to this proposal. This is not recommended as it is important that the District's views are documented.

Consultation

- 11 Attached to this report is council's draft submission prepared on behalf by the Building Control Manager and the Planning Consents Manager. There is no need for council to consult on their submission as this is a public submission process.

Relevant Legislation, Council Policy and Plans

- 12 The relevant legislation relating to this proposal is:
- Building Act 2004
 - Resource Management Act 1991
 - Local Government Act 2002

Financial and Funding Implications

13 It is unclear (at this stage) what the extent of the financial impact of these proposed changes will have on council. Potential financial implications may include but not limited to:

- Reduction in building consent applications (amount unknown).
- Reduction in resource consent applications (amount unknown).
- Increased level in managing complaints (no cost recovery indicated in the proposal)
- Increased monitoring and enforcement (limited cost recovery ability)

Other Considerations

Within urban areas the requirement to connect to services such as Water, Sewer and Storm Water may become problematic as there will be no official process to trigger the advice, monitoring and connection requirements for these services. These will, under the new proposal, become the sole responsibility of the building owner.

Attachments

1. **DRAFT Submission - Making it Easier To Build Granny Flats - August 2024** [↓](#) 
2. **MBIE Discussion Document - Making it easier to build granny flats** [↓](#) 

Submission to the Ministry of Business Innovation and Employment

Making it easier to build granny flats

12 August 2024



Introduction

The Timaru District Council (the Council) thanks the Ministry of Business Innovation and Employment (MBIE) for the opportunity to submit on “Making it easier to build granny flats”. This submission, whilst acknowledging the well documented risks, also offers Council’s view on potential solutions to facilitate the intent of the signalled reform.

This submission has been endorsed by Timaru District Council via the Environmental Services Committee. Any further queries can be sent to:

- Mayor Nigel Bowen: nigel.bowen@timdc.govt.nz | phone (03) 687 7200 | PO Box 522, Timaru 7940
- Officer in Charge (for technical queries): jayson.ellis@timdc.govt.nz Building Control Manager | phone 0274346053

Council wishes to speak to this submission should the opportunity arise.

Overview of Timaru District

The Timaru District Council is a local authority in the South Island serving over 49,000 people in South Canterbury. The main settlement is Timaru (pop. 29,600), with other smaller settlements of Geraldine, Pleasant Point and Temuka.

The Timaru District Council as a Territorial Authority and a Building Consent Authority (BCA) has issued the following building consent types and numbers over the last three years.

Financial Year	Residential consents issued	Commercial consents issued
2021-22	972	136
2022-23	892	183
2023-24	772	156

General comments

With regard to the discussion document and fact sheet produced by MBIE, the Council wishes to provide the following comments on this proposal.

1. Purpose and intent of the proposal

- Council supports the governments intent to develop tools that assist BCAs in achieving more efficient and effective consenting processes especially for lower risk buildings.
- Council is not of the view that the current consenting system is a significant impediment to the construction of a 60m2 dwelling, to a point that would preclude a homeowner to undertake that work.
- Notwithstanding the above point, Council would be in support of options 4 & 5 of the discussion document, as we consider that further development and education of these building regulatory tools to be critical to the success of this proposal. Additionally, Council broadly supports Option 4 relating to the creation of a National environmental standard under the Resource Management Act 1991 (RMA) for minor residential units with a consistent permitted activity standard. This is to improve housing affordability, while recognising that supporting this new direction does come with costs to the community in terms of the quality of urban design and the living environment. Council is of the view that further consideration and justification is necessary before extending this direction out to building additions and accessory buildings.
- Council does not support options 1, 2, 3 for the reasons outlined below.

2. Potential risks

While Council acknowledges its preference for further investigations of options 4 & 5, we also agree with the majority of the risks identified within the discussion document relating to all other options. Council would also like to highlight risks from the perspective of local, regional and national experience in matters such as Civil Defence Emergency Management, natural hazards and reticulated network capacity management for connection to services.

Even low risk buildings require further information during the consenting process, and half fail an initial inspection.

- Within the Timaru district our building consent statistics confirm that approximately 70% of the consents we approve are of the Residential 1 building category, being at the lowest end of the scale in terms of complexity and risk.
- Further statistics confirm that 75% of all consents require Requests for Further Information (RFIs) at the processing stage and 52% of inspections fail, requiring re-inspections.
- This in turn suggests that the people within the sector other than BCAs, find it challenging to design and construct buildings to a compliant standard (NZ Building Code) even with the support of the BCA throughout the process.

The consenting system provides significant consumer protection, which would not apply for granny flats.

- The current system of building control relies heavily on the BCA carrying the majority (if not all) the liability. The system requires this of the BCA and drives the risk averse nature of the system. The positive effect from this approach is that an applicant for a building consent is given a form of insurance for the building via a one-off payment for the building consent fee that can last for the life of the building if unchanged. The proposal for granny flats will require a shift of the liability from the BCA to the owner as it relates to compliance with the Building Act and Regulations. This transfer of liability must occur, unless central government agrees to underwrite any costs associated with non-compliance arising from the granny flat proposal, as many small and medium sized BCA's simply cannot afford to carry the financial risk.

Quality assurance for granny flats is proposed to be ensured by Licenced Building Practitioners, which currently lacks the same rigour as the Building Consent Authority process.

- All BCAs throughout the country are required to be "Accredited", which means, in part, that a level of competence within their technical officers must be achieved. Additionally, they must undertake ongoing training and assessments to ensure they remain competent. Unfortunately, this level of rigor has not filtered through to the Licenced Building Practitioner (LBP) scheme, the very scheme this proposal is relying on for its robustness and surety for the consumer.

Environmental risks (hazards) will not be considered.

- Another area of risk lies within land that is or is likely to be subject to a Natural Hazard. These areas require significant consideration from both a Resource Management Act and Building Act perspective, and in some cases requiring notification to the Registrar-General of Land. This process is only performed when a building consent has been submitted, with the BCA ensuring all parties are aware of the issues and risks, allowing the property owner to make an informed decision (choice) before committing to their proposed build.
- Many backyards where granny flats are likely to be located are also likely to contain secondary flow paths, and permission would be harder to grant where surface water is likely to be obstructed by a new building. Liability arising out of flooding events due to impacted secondary flow paths will result in challenging situations to be resolved retrospectively.
- The discussion document identifies a proposed change to Schedule 1 of the Building Act. Should this be the case, the requirements for all involved to achieve compliance with the schedule will potentially be too onerous, with the owner then seeking involvement from Council to resolve any issues that arise. However, this will prove to be a very time consuming and costly process for the owner as the Council will, under the proposal, be required to carry out enforcement action, e.g. Notice to Fix or Dangerous or Insanitary Building Notices.

3. Costs/Benefits/Value

- Council is of the view that the cost of a building consent for 60m2 dwelling of between \$2000 - \$5000, provides long term surety on many levels, well exceeding this monetary value (a form of insurance as stated previously).
- As mentioned within the discussion document the ability to secure a bank loan and or insure a building that has no regulatory compliance may contribute to significant additional costs for the owner, and these would also be disproportionate to the potential gains.
- However, council is of the view that ensuring the appropriate use and implementation of the regulatory tools, ie the Modular Component Manufactures Scheme regulations and the National Multiple-use approvals as identified below, will assist in the mitigation of many risks, therefore we would be in support of these measures.
- Connections to Councils' infrastructure network, e.g. three waters and the additional work required will not be recoverable and potentially more difficult to manage due to the absence of the Resource Consent and or Building Consent processes. These consent processes, in part, are mechanisms that allow the Council to ensure there is capacity and the appropriate approval and compliant connections are made. Therefore, without these approvals in place, it may result in the work being carried out by unauthorised personnel, requiring re-work to make it compliant at the cost of the owner.
- Council would like to reiterate the value that comes from the building consent process from receiving and vetting of an application through to the issuing a code compliance certificate. The regulatory framework is well imbedded and is significantly relied upon by the owner and many third-party entities for established reasons.

4. Legislative tools that could support this proposal.

- Council believes that for this proposal to achieve its intended success, a concerted focus must be on solutions that ensure quality and compliant outcomes. Council believes these areas of value are within options 4 and 5 of the discussion document.
- The Modular Component Manufactures Scheme regulations 2022 is a great tool specifically designed for allowing this type of work to be carried out and completed in a manner that ensures consistency and compliance. Therefore, council is of the view that further government investment and or incentives for the purpose of encouraging businesses to engage in the use of these regulations, will provide significant value and ensure the intended quality and compliance outcomes of this proposal are achieved.
- The National Multiple-use approvals, that have been in place for some years, is another great scheme that council believes is underutilised. Within the Timaru District there are several businesses that would benefit from the approval process

of this scheme with it being less onerous and more cost effective than it currently is. Council is of the view that this is another regulatory tool, that with further investment and support from government, will enable another avenue for this proposal to be effective and provide the intended value.

- Whilst acknowledging the use of these tools still requires the need for a building consent, there will be value and benefits derived from the robustness of these systems and with the reduced timeframes for granting these consents will reduce costs.
- With further investigation and development of these regulations and with the appropriate policies, procedures and systems in place, Council believes these businesses could be able to self-certify the buildings they produce, potentially without the requirement of a building consent. However, the consequence of this will be no liability for council.
- In addition to the above regulatory tools, council is of the opinion that the success of this proposal, hinges on the further development and effectiveness of the Licenced Building Practitioner (LBP) scheme. This scheme has not seen any development since its launch in 2007. Therefore, Council is of the view that a significant review of the licence classes, including the responsibilities of those licences and the introduction of an appropriate and effective competency scheme should be mandatory.
- Council is of the view that the requirement for the owner to apply for a Land Information Memorandum (LIM) and or a Project Information Memorandum (PIM), will provide significant value in terms of identifying important considerations for the owner in preparation of their build. Some of these considerations include, but not limited to:
 - Natural hazards
 - Council network assets
 - Hazardous materials
 - Filled land
 - Overland flow paths
 - Building location requirements

Council suggests a LIM or a PIM to be a mandatory requirement, thus assisting to mitigate many of the issues that would otherwise be captured through a resource or building consent process. This could also be considered a valuable requirement from other third-party entities such as Banks and Insurers.

5. Planning Provisions

- Enabling minor residential units in rural areas has been commonly adopted in the past, particularly where they are constructed to provide employment for farm workers. However, they should not as of right be located in areas associated with natural hazards, significant natural areas, high landscape or Wahi tupuna.

Therefore, Council agrees that areas identified with matters associated with Part II section 6 of the RMA should be excluded, as set out in the discussion document.

- Enabling minor residential units in established residential areas is generally acceptable to address the growing housing affordability issue. However, catering to more commercially orientated activities, such as tourist accommodation, may result in perverse outcomes if the national direction was broadened to permit these accommodation units.
- The discussion document (page 16) outlines a range of performance standards. Setbacks have their place in protecting basic neighbouring amenity and are generally not onerous or restrictive. While Council's preference would be option B, we do not agree with the proposition for minor residential units to override setbacks.
- Construction of minor residential units should comply with the relevant minimum setbacks in the Proposed Timaru District Plan, particularly the road boundary to avoid the unravelling of the established residential character of the streetscape and protect the privacy for both occupants and neighbours.
- While Council may support relaxing existing building coverage and impervious surface controls, we are of the view that this will have a cumulative reduction in usable open spaces across residential areas.
- Council is of the view that permitting granny flats as detached units in urban zones that are non-suburban in nature would be problematic, as they would not fit well within the typology of apartments and mixed-use developments.
- As additional units increase pressure on infrastructure, Councils should retain the discretion to charge development or financial contributions and authorisation for service connection charges, in line with the relevant local provisions. Council is of the view that they should be able to set rules requiring Financial Contributions to be made, as this is the function currently adopted by the Timaru District Council.

Conclusion

In conclusion Council applauds the intent of the proposed changes but recommends that MBIE seeks to achieve the intended outcomes via minor changes to existing regulations, with a stronger emphasis on other parts of the sector, to ensure the required level of assurance, in terms of safety and quality, remains in the building system.

Thank you again for the opportunity to submit on this Bill. Please do not hesitate to contact us via Jayson.ellis@timdc.govt.nz or 027 434 6053 if you have any questions or wish to discuss aspects further.

Ngā mihi



Nigel Bowen



Making it easier to build granny flats

DISCUSSION DOCUMENT



Te Kāwanatanga o Aotearoa
New Zealand Government



**MINISTRY OF BUSINESS,
INNOVATION & EMPLOYMENT**
HĪKINA WHAKATUTUKI



Ministry for the
Environment
Manatū Mō Te Taiao

Ministry of Business, Innovation and Employment (MBIE) Hīkina Whakatutuki – Lifting to make successful

MBIE develops and delivers policy, services, advice and regulation to support economic growth and the prosperity and wellbeing of New Zealanders.

More information

Information, examples and answers to your questions about the topics covered here can be found on our website: mbie.govt.nz/grannyflats and building.govt.nz/grannyflats

Disclaimer

This document is a guide only. It should not be used as a substitute for legislation or legal advice. The Ministry of Business, Innovation and Employment is not responsible for the results of any actions taken on the basis of information in this document, or for any errors or omissions.

Front cover photo: Maria Gumennaya/Truestock

ISBN (online): 978-1-991143-89-1

JUNE 2024

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Ministers' Foreword

It has become too hard and expensive to build homes in New Zealand.

As part of our wider housing and building reforms, we want to make it easier to build small, self-contained and detached houses, commonly known as 'granny flats'.

Changes in New Zealand's population, including smaller family size and an ageing population, mean that demand for granny flats will increase into the future.

While we commonly call these houses 'granny flats' they can support a range of people and circumstances, from young people through to seniors. They can support intergenerational family living and provide a more affordable housing choice.

We are proposing coordinated changes across the building and resource management systems. Firstly, we propose adding a new schedule to the Building Act 2004 to provide a building consent exemption for granny flats up to 60 square metres. Under the resource management system, we propose a 'national environmental standard' that allow a 'minor residential unit' to be built without the need for a resource consent.

There will be safeguards to ensure granny flats continue to meet New Zealanders' expectations of safety and quality, and appropriately manage any environmental effects. We want these to be good homes.

To make sure our changes are successful, it is important we hear the valuable perspectives from all interested people. This document seeks input on our proposals to make changes to Resource Management Act 1991, Building Act 2004 and Local Government Act 2002.

As Minister Responsible for Resource Management Act Reform and Minister for Building and Construction we are pleased to present this discussion document, making it easier to build granny flats, for public consultation.



Hon Chris Bishop

Minister Responsible for Resource Management Reform



Hon Chris Penk

Minister for Building and Construction

Part one: Introduction and context

'Granny flat' is a common term to describe a small, self-contained house. These are also known as secondary or ancillary dwellings, family flats, minor dwellings, self-contained small dwellings and minor residential units.

The Government has committed to '*amend the Building Act and the resource consent system to make it easier to build granny flats or other small structures up to 60 square metres, requiring only an engineer's report*'.¹ This discussion document presents options for achieving the Government's commitment, through potential changes to the Building Act 2004 (Building Act) and the Resource Management Act 1991 (RMA).

The Government is progressing a wider package of work to streamline the building consent process² and address the housing crisis. The package includes the 'Going for Housing Growth' policy³ and their 100-point plan to rebuild the economy.⁴ The policy to enable granny flats will support broader outcomes for housing.

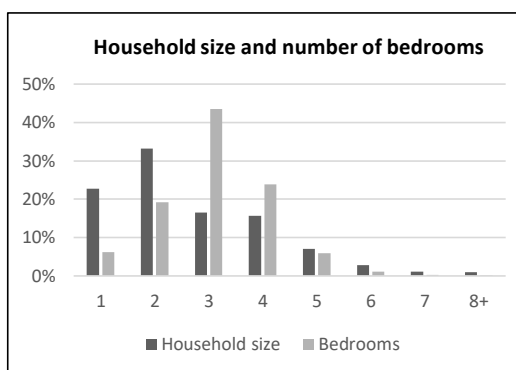
Problem definition – what we want to address

Housing affordability is a key issue in New Zealand

New Zealand has some of the least affordable housing in the world⁵ and home ownership dropped from 74% in the 1990s to 65% in 2018.⁶ Over the 12 months to June 2023, average housing costs per week increased 14.5%. Data from 2023 illustrates that over a quarter of households that do not own their home now spend more than 40% of their income on housing.⁷ High housing costs have a greater impact on retirees on fixed incomes, Māori, Pacific people, and people with disabilities.

There is increasing demand and a lack of supply of small houses

In 2018, just under 20 per cent of houses in New Zealand had two bedrooms with 6 per cent having one bedroom. In contrast, more than half of households had one or two people.⁸ Demographic changes such as an increase in single parent families, people having fewer children and an ageing population are likely to increase the demand for smaller houses in the future.



Regulatory barriers increase the time and cost to build new houses and processes should be proportionate to the risks

Housing has become more difficult and expensive to build in New Zealand. The cost of building a house increased by 41 per cent since 2019.⁹

¹ National and New Zealand First Coalition Agreement: page 9.

² [Streamlining Building Consent Changes | Beehive.govt.nz](#); [Building products shakeup to lower prices | Beehive.govt.nz](#).

³ [Speech to the Wellington Chamber of Commerce | Beehive.govt.nz](#).

⁴ [national.org.nz/nationals_100_point_plan_to_rebuild_the_economy](#).

⁵ OECD (2020) How's Life? 2020: Measuring Well-being. OECD Publishing, Paris.

⁶ Statistics New Zealand (2020) Census data from Housing in Aotearoa.

⁷ Statistics New Zealand (2023) [Household income and housing-cost statistics: Year ended June 2023](#).

⁸ Statistics New Zealand (2018) Census data.

⁹ The 41.3% represents the cumulative increase since the fourth quarter of 2019. This mostly occurred in 2021 and 2022.

Regulatory compliance costs for consenting and building are part of what drives housing costs. Building consent fees for a small house are estimated to be around \$2,000-5,000.¹⁰ Where a resource consent is required for a small house, it is estimated to cost around \$1,500.¹¹

Homes consented in the June 2022 quarter took, on average, over 16 months to reach their final inspection (up from over 14 months in the June 2021 quarter) and a further two months to receive a code compliance certificate.¹²

This has an impact on the number of small houses being built. If costs and processes were less, more smaller houses would likely be built. If more are built, unmet demand would reduce and the cost of housing would likely decrease.

Question 1: Have we correctly defined the problem? Are there other problems that make it hard to build a granny flat?

Outcome and principles – what we want to achieve

The intended outcome of this policy is to increase the supply of small houses for all New Zealanders, creating more affordable housing options and choice.

While these houses can be referred to as ‘granny flats’, the proposals are not limited to older New Zealanders or family members.

The principles for achieving this outcome include:

- enabling granny flats and other structures in the resource management and building systems, with appropriate safeguards for key risks and effects
- coordinating requirements in the resource management and building systems, where appropriate
- supporting local government funding and infrastructure by ensuring growth pays for growth
- supporting intergenerational living and ageing in place.¹³

Question 2: Do you agree with the proposed outcome and principles? Are there other outcomes this policy should achieve?

Legislative context - what can you do now

Housing in New Zealand is largely regulated by two pieces of legislation:

1. **the Building Act 2004 (Building Act)** – sets the rules for the construction, alteration, and demolition of new and existing buildings, and
2. **the Resource Management Act 1991 (RMA)** - sets requirements for the management of land use and effects on the environment.

¹⁰ In a 2022 report *Does size matter? The impact of local government structure on cost efficiency*, the New Zealand Infrastructure Commission estimated the median fee to process a building consent for a \$350,000 new build residential dwelling at \$3,780, but also noted that there was considerable variation in costs between councils (standard deviation: \$1,540). Note that the Building Levy (\$1.75 (incl. GST) per \$1,000 of building work at \$20,444 (incl. GST) and over) and BRANZ Levy (\$1.00 per \$1,000 of the total value of construction work at \$20,000 and over) also attach to building consents (rates as at June 2024).

¹¹ National Monitoring System 2021/22 consent data for minor residential units.

¹² [Experimental indicators show longer building timeframes | Stats NZ](#)

¹³ Ageing in place describes people having housing choices in their local area throughout their lifetime, so they do not have to leave the area to access a specific type of housing.

Development may require both a building consent and resource consent, depending on the context. Although they manage different risks and effects, the Building Act and the RMA collectively determine which rules a development is subject to.

The Building Act 2004

The Building Act aims to ensure homes and buildings are safe, healthy and durable.

Currently, to build a standalone dwelling up to 60 square metres, the design and building work must go through the building consent process and any restricted building work must be done or supervised by a Licensed Building Practitioner.

Building consent authorities (BCAs) must check building consent applications for compliance with the Building Code before work can begin. During construction, BCAs will inspect the work to ensure it is in accordance with the building consent. When the building work is complete the owner applies for a code compliance certificate and the BCA will issue one if the building complies with the building consent. These steps add time and cost, but they give building owners, tenants, banks and insurers confidence in the quality and function of the house.

Carrying out building work without a building consent when one is required is an offence under the Building Act, with significant fines of up to \$200,000 on conviction and an infringement fee of \$1,000.

Fast tracked building consent options under the Building Act 2004

There are fast track paths for building a dwelling of 60 square metres or less:

- BCAs must accept a MultiProof approved design,¹⁴ and opportunities for costly delays are limited.¹⁵
- Offsite manufacturers certified under the BuiltReady¹⁶ scheme can issue their own certificates for a component or building. These certificates must be accepted by BCAs as part of the building consent process.

Building work that does not require a building consent

The Building Act specifies certain building work that is low-risk, such as certain garages and sleepouts, is exempt from building consent requirements. These exemptions are found in Schedule 1 of the Building Act, and recognise the disproportionate cost of the full building consent process for this work. Under Schedule 1, councils can also use their discretion to give an exemption where they consider that a building consent is not necessary.

Some building consent exemptions in Schedule 1 require the use of a Licensed Building Practitioner, a person authorised under the Plumbers, Gasfitters and Drainlayers Act 2006 or a Chartered Professional Engineer.

All building work must comply with the Building Code and BCAs can issue a Notice to Fix if it does not. This includes consented, unconsented, and consent-exempt work.

Consumer protections under the Building Act

The Building Act includes a range of protections for consumers in relation to residential building work. These include requirements for written contracts for work over \$30,000, a set of implied warranties that run for up to 10 years and a 12-month defect repair period. In some cases, builders may offer their own third-party surety to attract customers. Examples include the Master Build Guarantee by Master Builders and the Halo Guarantee by NZ Certified Builders.

¹⁴ MultiProof is a statement by MBIE that a set of plans and specifications for a building complies with the Building code. A building consent application that includes a MultiProof receives a fast-tracked consenting process (BCAs must grant or refuse it within 10 working days instead of the usual 20).

¹⁵ There are several relevant approvals on the MultiProof register for dwellings of 60 square metres or less [MultiProof register](#) | Building Performance

¹⁶ [About BuiltReady](#) | Building Performance

The Resource Management Act 1991

Under the RMA, councils must develop a district plan and regional plan.¹⁷ District plans are the rulebook for how you can use and develop land. Regional plans set out rules that manage the taking of water, the discharge of contaminants, earthworks and activities in the coastal marine area. These plans tell you what you can or cannot do, and if you need a resource consent.

Most district plans currently allow granny flats and other structures under 60 square metres in residential and rural zones without needing resource consent, if it meets certain permitted activity standards.¹⁸ These standards might include building position, building height and building size and they vary across different district plans. If a granny flat doesn't meet the permitted activity standards in the district plan it will need a resource consent.

Regional plans don't have specific requirements for granny flats but may require a resource consent in certain circumstances, such as for on-site wastewater systems.

National direction under the RMA supports local decision-making and can set requirements for district and regional plans. Appendix 2 outlines the purpose and scope of national direction tools in further detail.

Further information on the RMA is available on the Ministry for the Environment website:

www.environment.govt.nz/understanding-the-rma-and-how-to-get-involved

Safeguards – what risks need to be managed

There are risks that have been considered through the development of the policy to enable granny flats and other structures across the resource management and building systems, including:

- **Building safety and performance** - if building work does not meet minimum standards, there are significant risks to the health and safety of people using the building and risks of property damage. Building failure could include structural collapse, weathertightness issues that create leaky buildings, fire and inadequate plumbing work that creates public health issues. The costs of building failure can be significant and may impact a third party, such as a tenant or neighbour.
- **Trust in building quality** - if buyers, tenants, insurers and mortgage lenders are not confident that a granny flat will be built to a high standard without regulatory oversight it may be challenging to sell, let, insure or finance them.
- **Environmental effects** - overriding rules and standards in RMA plans could impact privacy, create environmental effects and have other unintended consequences.
- **Infrastructure planning** - enabling granny flats will put increased demand on council infrastructure including drinking water, wastewater, stormwater, roading and community facilities. Councils need to know when new homes are built so they can increase infrastructure systems and services and plan for the future.
- **Infrastructure funding** - development contributions are charges that ensure that the costs associated with providing infrastructure and services for new residents is funded by the new residents (or the developer who created the new homes) rather than by the existing residents. Development contributions are currently triggered by a building consent, resource consent or when a new house is approved to connect to council infrastructure. If consents are not needed and infrastructure connections are not recorded, these contributions may not happen.
- **Rating/property information** - when new homes are built a record is created by the council. This record is important as it enables councils to update their rates records, manage infrastructure services, plan to address any risks from natural hazards, maintain accurate property records to report to government agencies and provide accurate Land Information Memorandums (LIMs).

The proposals outlined below aim to mitigate these risks.

Question 3: Do you agree with the risks identified? Are there are other risks that need to be considered?

¹⁷ Some councils integrate these plans into a single document (eg, the Auckland Unitary Plan).

¹⁸ 'Standards' are the requirements, conditions and permissions that that an activity must comply with to be deemed permitted and not require a resource consent under RMA section 87A (1).

Part two: Proposals across the resource management and building systems

The Building Act

The Ministry of Business, Innovation and Employment (MBIE) has identified options to achieve the objective of enabling granny flats, with related benefits, costs and risks. They include regulatory and non-regulatory options, options that do not require a building consent and fast-tracked building consents. See Appendix 1 for a full description.

Options that do not require a building consent include:

- **Option 1:** Add a new exemption to Schedule 1 of the Building Act for simple standalone dwellings up to 60 square metres.
- **Option 2 (proposed option):** Establish a new Schedule in the Building Act to provide an exemption for simple standalone dwellings up to 60 square metres. It would contain additional criteria compared to the existing Schedule 1 to recognise increased risk from these buildings.
- **Option 3:** Introduce a new opt-in self-certification regime for accredited companies and professionals for, but not limited to, small standalone houses.

Fast-tracked building consent options identified include:

- **Option 4:** Targeted promotion campaigns of BuiltReady and MultiProof, specifically for standalone dwellings up to 60 square metres.
- **Option 5:** New MBIE/Government MultiProof approval for a 60 square metre standalone dwelling.

Option 2 (proposed option) would establish a new Schedule in the Building Act that provides an exemption for simple, standalone dwellings of up to 60 square metres in size. Compared to the existing exemptions under Schedule 1, the new schedule would have additional criteria to recognise the increased health and safety risks associated with granny flats. To mitigate these risks, it would use existing occupational regulation of qualified professionals and would also require using certain Building Code Acceptable Solutions (structure, weathertightness and plumbing related) unless MultiProof or BuiltReady schemes are used. Property owners would also have to notify councils of the work.

This option is expected to reduce time-to-build and regulatory burden (red tape) for simple, standalone dwellings of up to 60 square metres, including avoiding building consent fees in the order of ~\$2,000-5,000.¹⁹ It would also provide flexibility for consumers to choose the particulars of the design and build.

Notification requirements would provide a record to councils that the new dwelling exists, informing infrastructure and financing decisions and enabling monitoring of quality issues.

¹⁹ In a 2022 report *Does size matter? The impact of local government structure on cost efficiency*, the New Zealand Infrastructure Commission estimated the median fee to process a building consent for a \$350,000 new build residential dwelling at \$3,780, but also noted that there was considerable variation in costs between councils (standard deviation: \$1,540). Note that the Building Levy (\$1.75 (incl. GST) per \$1,000 of building work at \$20,444 (incl. GST) and over) and BRANZ Levy (\$1.00 per \$1,000 of the total value of construction work at \$20,000 and over) also attach to building consents (rates as at June 2024).

This option would also mitigate any negative impacts on MultiProof and BuiltReady because these schemes will be included in the exemption, and complements changes recently announced to improve flexibility of the MultiProof scheme.²⁰

However, this option also comes with risks.

- Without the oversight of BCAs, there is an increased risk of non-compliant buildings. The notification requirement, and other criteria, are proposed to help mitigate this risk. But it is unclear whether these mitigations will be enough to resolve potential difficulties with finance, insurance and re-sale.
- This option makes owners responsible for ensuring qualified professionals complete the work. However, as no entity would be actively monitoring this requirement, there is a risk of non-compliance.
- Creating a new schedule to the Building Act also adds complexity to the building regulatory system.

Question 4: Do you agree with the proposed option (option 2 establish a new schedule in the Building Act to provide an exemption for simple standalone dwellings up to 60 square metres) to address the problem?

Question 5: What other options should the government consider to achieve the same outcomes (see Appendix 1)?

Question 6: Do you agree with MBIE's assessment of the benefits, costs and risks associated with the proposed option in the short and long term?

Question 7: Are there any other benefits, costs or risks of this policy that we haven't identified?

Proposed Building Consent Exemption Conditions

Option 2 described above would create a new schedule to the Building Act that would allow a small standalone house to be built without a building consent. MBIE considers a building consent exemption is only appropriate if the building meets certain criteria that help limit the health and safety risks given it is not checked by a regulator.

These criteria would require the small house to be built by trusted workers, to a simple straightforward design, and be notified to councils. Meeting these criteria would reduce the risk of building failure, that the inspections and approvals process safeguards against. They are specifically targeted at reducing the risk of structural failure, fire and the spread of fire, weathertightness failure and insanitary conditions. Views are specifically sought on the two options identified for a height to boundary guardrail.

We are proposing that an engineer's report would not be required. Requiring such a report could introduce engineering services where they otherwise may not be required, imposing an additional cost to the consumer. Instead, we are proposing that building work would need to be completed (or supervised) by suitably competent, regulated professionals, such as Licensed Building Practitioners and authorised plumbers.

Conditions that must be met to build a small standalone dwelling without a building consent

CONDITION	DETAILS	COMMENTS
Building Code	The building must be designed and built to comply with the Building Code.	All building work must comply with the Building Code.
New building only	The exemption only applies to a new building, not to the modification or alteration of an existing building.	
Standalone	Must be a single dwelling house detached from any other dwelling.	

²⁰ [Streamlining Building Consent Changes | Beehive.govt.nz](https://www.beehive.govt.nz/streamlining-building-consent-changes).

CONDITION	DETAILS	COMMENTS
Up to and including 60 square metres	Measured in accordance with existing guidance (net floor area in a building is measured to the inside of the enclosing walls or posts/columns) .	
Height	The building is not more than one storey (being a floor level of up to one metre above the supporting ground and a height of up to four metres above the floor level).	Helps manage risk and consequence of collapse. Same as Schedule 1 clause 3/3A/3B/43 for foundation/floor height but more flexible for height above floor level.
Height to boundary	Option A: No building work in connection with a building that is closer than the measure of its own height to any building, public road, railway, or legal boundary. Allow Councils to vary (on application) if it is unlikely to endanger people or any building, whether on the same land or on other property.	<ul style="list-style-type: none"> Helps manage risk of structural collapse and spread of fire. Similar to Schedule 1 clause 3/3A/3B/43 and 4A. Similar to Schedule 1 clause 2(b).
	Option B: There must be a two-metre distance from the external walls to any other building or boundary.	Alternative proposal instead of Option A. Work must still comply with the Building Code and be carried out by LBPs.
Protection from fire	<ul style="list-style-type: none"> Must have interconnected smoke alarms throughout the building. Electric or gas heaters only. 	<ul style="list-style-type: none"> Similar to Schedule 1 clause 3A/3B/43. This exemption does not include the installation of solid fuel heaters such as a wood burner.
Must be designed and built in accordance with certain Acceptable Solutions and in certain wind zones only UNLESS designed to MultiProof or designed/built under BuiltReady, and used within the scope they were approved for	<ul style="list-style-type: none"> Is designed/built using lightweight building products for the walls and roof, and in accordance with Acceptable Solution B1/AS1 (Structure) for timber or light steel buildings. Is designed/built in accordance with Acceptable Solution E2/AS1 (External Moisture). The building must be located in a wind zone no greater than High (as defined in Acceptable Solution B1/AS1). Manufacturer certificates should continue to apply in the case of BuiltReady (with modifications noting no consent or code compliance certificate to attach to). 	<ul style="list-style-type: none"> Helps manage risk of collapse and weathertightness issues. Lightweight wall and roof products and B1/AS1 restriction similar to Schedule 1 clause 3A. B1/AS1 includes reference to NZS 3604:2011 Standard for light timber-framed buildings and to the NASH standard Part 2:2019 Standard for light steel-framed buildings. This requirement is in addition to the other requirements. Building to B1/AS1 and E2/AS1 alone won't satisfy the exemption conditions. Wind zone restriction similar to Schedule 1 clause 4A.

CONDITION	DETAILS	COMMENTS
Plumbing work	<ul style="list-style-type: none"> All plumbing and drainlaying must be done by an appropriately licensed person under the Plumbers, Gasfitters and Drainlayers Act in all cases and designed/built in accordance with the Acceptable Solutions for compliance with Clauses E1, G12 and G13 (unless covered under a MultiProof approval or BuiltReady certification). Plumbing and drainage systems must connect to network utility operator services, where available (reticulated mains water, sewer and stormwater). Where network utility operator services are not available: the installation or alteration of an onsite wastewater treatment, onsite stormwater disposal or onsite water supply system would require a building consent (exclusively for these systems). This includes alterations to existing on-site systems to accommodate any increased loading. 	<ul style="list-style-type: none"> Helps manage risk to public health. Plumbing and drainage should be simple, for example: <ul style="list-style-type: none"> wastewater and stormwater by gravity potable water systems only controlled heat source water heaters only impervious lined shower enclosures only. This would exclude: <ul style="list-style-type: none"> pumped wastewater and stormwater non-potable systems uncontrolled heat sources which can heat water to 100°C tiled/wet area membrane showers.
Design and building work	<ul style="list-style-type: none"> Any design or building work not covered by a MultiProof or BuiltReady must be done (or supervised) by an LBP working within their scope of competency. 	<ul style="list-style-type: none"> Despite the Restricted Building Work (RBW) definition under the Building Act currently excluding work that doesn't require a consent. As this building work is no different to RBW on a 'normal house', Certificates of Work and Records of Work should apply as if this was RBW (with any necessary modifications).
Notification of work to Councils	<ul style="list-style-type: none"> Owners must notify the council of planned work by providing indicative plans and requesting information about the features of the land relevant to the work (similar to a PIM). This will incur an administration fee. Owners must notify councils once work is complete. 	<ul style="list-style-type: none"> Would require the creation of new forms that include additional information. Infringement offence for failure to comply with a \$1,000 fine, the same as the building consent infringement.

Question 8: Are there additional conditions or criteria you consider should be required for a small standalone house to be exempted from a building consent?

Question 9: Do you agree that current occupational licensing regimes for Licensed Building Practitioners and Authorised Plumbers will be sufficient to ensure work meets the building code, and regulators can respond to any breaches?

Question 10: What barriers do you see to people making use of this exemption, including those related to contracting, liability, finance, insurance and site availability?

Question 11: What time and money savings could a person expect when building a small standalone dwelling without a building consent compared to the status quo?

Question 12: Is there anything else you would like to comment on regarding the Building Act aspects of this proposal?

The Resource Management Act 1991

Scope of the policy under the Resource Management Act

What the granny flat policy will apply to

The focus of this policy is to enable small, detached, self-contained, single storey houses for residential use. Under the RMA, the term 'minor residential unit' (MRU) is defined in the National Planning Standards as "a self-contained residential unit that is ancillary to the principal residential unit and is held in common ownership with the principal residential unit on the same site". The proposal is to focus the policy in the RMA on enabling MRUs.

The National Planning Standards defines accessory buildings as "a detached building, the use of which is ancillary to the use of any building, buildings or activity that is or could be lawfully established on the same site, but does not include any minor residential unit". Accessory buildings are generally permitted under the RMA but can be subject to different standards than MRUs.

Adding an additional bedroom or an attached granny flat to an existing principal residential unit is considered differently in most district plans and is not an MRU. MRUs are 'detached' as defined in the National Planning Standards. Additions and attached granny flats have significant risks in relation to fire safety and are not currently being considered as part of the proposed changes to the Building Act.

Question 13: Do you agree that enabling minor residential units (as defined in the National Planning Standards) should be the focus of this policy under the RMA?

Question 14: Should this policy apply to accessory buildings, extensions and attached granny flats under the RMA?

Where the granny flat policy will apply

It is proposed that this policy applies across New Zealand and is not limited to certain territorial authorities. The proposed focus of the policy is on enabling MRUs in rural and residential zones, as described in the National Planning Standard Zone Framework Standard.²¹

The policy could also apply in other appropriate zones, for example mixed use zones²² and Māori purpose zones.²³ A range of activities are anticipated in these areas including residential, commercial, community and cultural activities.

Question 15: Do you agree that the focus of this policy should be on enabling minor residential units in residential and rural zones?

Question 16: Should this policy apply to other zones? If yes, which other zones should be captured and how should minor residential units be managed in these areas?

Matters that are out of scope of the granny flat policy

The proposal is to target specific zone rules and standards relating to MRUs which typically trigger a resource consent requirement (such as building coverage or setbacks from neighbouring properties). However, there may be other rules in district or regional plans that could trigger the need for a resource consent. We propose that these matters are not managed through this policy, and include:

- **Subdivision** - If a landowner wants to subdivide the MRU after it has been developed, they will need to meet the subdivision requirements set out in the relevant district plan.

²¹ [National Planning Standards \(2019\) Zone Framework Standard](#).

²² Areas used predominantly for a compatible mixture of residential, commercial, light industrial, recreational and/or community activities.

²³ Areas used predominantly for a range of activities that specifically meet Māori cultural needs including but not limited to residential and commercial activities.

- **Matters of national importance (RMA section 6)** - the RMA outlines matters of national importance²⁴ that all persons exercising functions and powers under it must recognise and provide for. They include matters relating to:
 - natural character of the coastal environment, wetlands, and lakes and rivers and their margins
 - outstanding natural features and landscapes
 - significant indigenous vegetation and significant habitats of indigenous fauna
 - relationship of Māori and their culture and traditions with their ancestral lands, water, sites, waahi tapu, and other taonga
 - historic heritage
 - significant risks from natural hazards.

Councils identify and manage these important risks and values in their district plans through additional overlay provisions. The policy proposal is to not override any of these provisions in plans, and any additional requirements would remain.
- **The specific use of the minor residential units** - district plans manage the activities that occur in certain buildings, including visitor accommodation such as Airbnb properties, home businesses and childcare services. It is proposed that existing district plan provisions relating to activities still apply and are not managed through this policy.
- **Regional plan rules** - MRUs may require a resource consent requirement under a regional plan. Rural areas are more likely to require consents, particularly where they are needed for an on-site wastewater system. It is proposed that these requirements stand and are unaffected by this policy proposal.

Question 17: Do you agree that subdivision, matters of national importance (RMA section 6), the use of minor residential units and regional plan rules are not managed through this policy?

Question 18: Are there other matters that need to be specifically out of scope?

Proposal under the Resource Management Act

The options for implementing this policy in the resource management system are set out in Appendix 2 and include:

- **Option 1** - status quo
- **Option 2** - national policy statement for minor residential units
- **Option 3** - national planning standard for minor residential units
- **Option 4** - national environmental standard for minor residential units with consistent permitted activity standards (proposed option)

The proposed option (option 4) is a national environmental standard (NES) which is regulation under the RMA that can set out rules and standards. Setting out consistent permitted activity standards in the NES (see table below) will ensure a nationally consistent approach to MRUs. Permitted activity standards could be different in residential and rural zones.

Councils could be enabled to have more lenient standards than what is set out in the NES,²⁵ however this might undermine national consistency. A NES takes effect on commencement and would not require councils to go through a plan change process. This would reduce implementation requirements for councils, compared with other options.

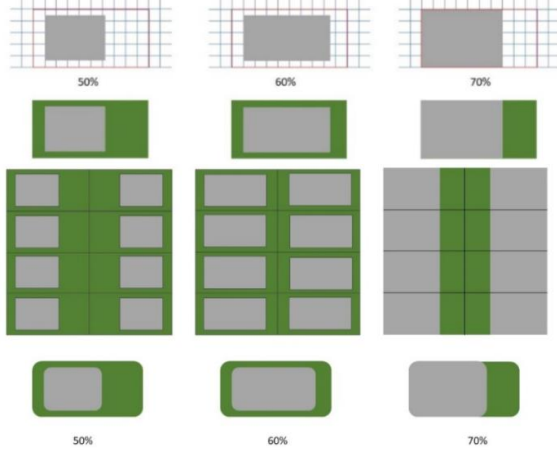
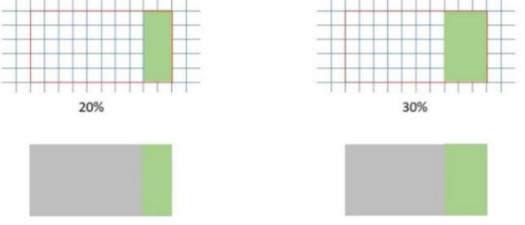
Question 19: Do you agree that a national environmental standard for minor residential units with consistent permitted activity standards (option 4), is the best way to enable minor residential units in the resource management system?

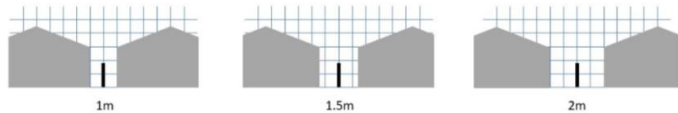
Question 20: Do you agree district plan provisions should be able to be more enabling than this proposed national environmental standard?

²⁴ Resource Management Act 1991 section 6

²⁵ RMA section 43B (3) allows for rules that are more lenient than a national environmental standard to prevail, if the national environmental standard expressly says that a rule or consent may be more lenient than it.

The preferred option is for the NES to include a nationally consistent permitted activity standard, that may be different in residential and rural zones. The proposed standards will work together as a package. For example, a minimum permeable surface requirement will ensure that stormwater drainage on site is managed, even if there is high building coverage of the net site area (see table below).

PERMITTED STANDARDS	PROPOSAL AND OPTIONS
Internal floor area	The maximum internal floor area is 60 square metres and is measured to the inside of the enclosing walls or posts/columns. This is consistent with the proposal under the Building Act.
Number of MRU per principal residential unit on the same site	One MRU per principal residential home on the same site.
Relationship to the principal residential unit	The minor residential unit is held in common ownership with a principal residential unit on the same site (as defined in the National Planning Standards).
Building coverage - the percentage of the net site area covered by the building footprint.	<p>Residential zones</p> <p>The options for maximum building coverage for MRUs and principal residential units collectively are: Option a - 50%; or Option b - 60%; or Option c - 70%.</p>  <p>Rural zones</p> <p>No maximum building coverage.</p>
Permeable surface - areas of grass and planting and other surfaces where water can filter naturally into the ground.	<p>The options for minimum permeable surface in are: Option a - 20%; or Option b - 30%.</p>  <p>Permeable surfaces shown in green</p>

PERMITTED STANDARDS	PROPOSAL AND OPTIONS
Setbacks	<p>Residential zones The options for minimum setbacks are: Option a - 1.5m front boundary, 1m side and rear boundaries; or Option b - 2m front boundary, 1.5m side and rear boundaries; or Option c – no minimum front, side or rear boundary setbacks.</p> <p>Rural zones The options for minimum setbacks are: Option a - 8m front boundary setback, 3m side and rear boundaries; or Option b - no minimum front, side or rear boundary setbacks.</p> 
Building height and height in relation to boundary	No building height and height in relation to boundary standards are proposed. This is because the policy intent is to enable single storey MRUs and existing building height and height in relation to boundary setbacks in underlying zones will already enable this.

Current district plans manage MRU through other permitted activity standards not covered in this proposal. This includes the minimum distance from the primary dwelling, maximum distance from the primary dwelling (typically in rural zones), and minimum outdoor space requirements.

Where standards are not met, development could still occur via a resource consent process to manage any risks or effects. There are options for the NES to require a restricted discretionary activity resource consent, or that existing district plan provisions will apply. If there is a restricted discretionary activity resource consent requirement, the limited matters of discretion that the council can consider through the consent process will be set out in the NES.

Question 21: Do you agree or disagree with the recommended permitted activity standards? Please specify if there are any standards you have specific feedback on.

Question 22: Are there any additional matters that should be managed by a permitted activity standard?

Question 23: For developments that do not meet one or more of the permitted activity standards, should a restricted discretionary resource consent be required, or should the existing district plan provisions apply? Are there other ways to manage developments that do not meet the permitted activity standards?

Question 24: Do you have any other comments on the resource management system aspects of this proposal?

Notification and funding infrastructure

The proposals in this document would enable a granny flat to be built without needing resource or building consent. Notification of a granny flat is important for local and central government to:

- provide trusted information for buyers, financiers and insurers
- track new home construction data and trends
- value properties for rating purposes
- plan for infrastructure
- provide information to support post-occupancy compliance, where required
- undertake council functions under the Building Act including managing dangerous or insanitary buildings.

Resource or building consents also trigger the ability for councils to charge development contributions. Councils use development contributions to help pay for the increased demand the new house has on the infrastructure that it provides. This typically includes transport, water, wastewater, stormwater, parks and reserves, and community infrastructure such as libraries.

Councils use a unit of demand such as the household unit equivalent (HUE) to charge development contributions, which measures the average household in a standard residential unit and the demands they typically place on infrastructure. Most councils treat minor dwellings as less than 1 HUE (typically charging between 0.4-0.75 of a HUE),²⁶ recognising that small dwellings create a lower demand for infrastructure than larger dwellings.

The options to still require an owner to notify the relevant council of a completed granny flat are through a 'Permitted Activity Notice' under the RMA or a 'Property Information Memorandum' under the Building Act, outlined in Appendix 3.

Broader work on infrastructure funding and financing (including on development contributions) is being considered as part of the Government's Going for Housing Growth work programme. More information on this will be available online when decisions are made.²⁷

Question 25: What mechanism should trigger a new granny flat to be notified to the relevant council, if resource and building consents are not required?

Question 26: Do you have a preference for either of the options in the table in Appendix 3 and if so, why?

Question 27: Should new granny flats contribute to the cost of council infrastructure like other new houses do?

Māori land, papakāinga and kaumātua housing

An issue for Māori wanting to develop housing is the cost and time to consent small, simple houses and other buildings. The proposals in the building and resource management systems may go some way to addressing the regulatory and consenting challenges for developing on Māori land,²⁸ and for papakāinga²⁹ and kaumātua housing,³⁰ where the circumstances of these proposals apply.

There are broader challenges to building and development on Māori land beyond the building and resource management systems. Barriers include a requirement to obtain a Māori Land Court order to use or occupy Māori freehold land, access to finance and the lack of infrastructure,³¹ which are not in scope of these proposals.

The proposals for the resource management system are focused on enabling MRU, defined in the National Planning Standards as outlined on pages 11-15. This is proposed to apply to Māori land (if zoned residential or rural), and papakāinga and kaumātua housing where they are ancillary to a primary dwelling and are held in common ownership.

The Government is separately scoping more targeted national direction under the RMA to enable papakāinga. More details on this will be available later in 2024.

The Building Act proposals are focused on enabling small houses and would allow small houses being built on Māori land, and papakāinga and kaumātua housing providing the conditions in the proposed schedule are met.

²⁶ Based on analysis of Tier 1 Councils' development contributions policies.

²⁷ Hon Chris Bishop, Minister of Housing's speech to the Wellington Chamber of Commerce on 27 February 2024 outlines Going for Housing Growth: [Speech to the Wellington Chamber of Commerce | Beehive.govt.nz](https://www.beehive.govt.nz/speech-to-the-wellington-chamber-of-commerce).

²⁸ Includes Māori customary land and Māori freehold land (as defined by Te Ture Whenua Māori Act 1993).

²⁹ Can be described as communal settlements on ancestral Māori land.

³⁰ Housing specifically provided for kaumātua (elders).

³¹ Office of the Auditor-General (2011) Government planning and support for housing on Māori land (oag.parliament.nz).

Question 28: Do you consider that these proposals support Māori housing outcomes?

Question 29: Are there additional regulatory and consenting barriers to Māori housing outcomes that should be addressed in the proposals?

Part 3: Next steps

We seek your feedback on the proposals contained in this document from 17 June 2024 to 12 August 2024.

Your specific feedback on the proposals contained in this document will help inform further policy development and shape changes to the building and resource consent systems.

Final policy decisions are expected to be made later this year. Legislative changes are intended to be in place by mid-2025.

Part 4: Consultation questions

General	
1	Have we correctly defined the problem? Are there other problems that make it hard to build a granny flat?
2	Do you agree with the proposed outcome and principles? Are there other outcomes this policy should achieve?
3	Do you agree with the risks identified? Are there other risks that need to be considered?
Building system proposal	
4	Do you agree with the proposed option (option 2: establish a new schedule in the Building Act to provide an exemption for simple, standalone dwellings up to 60 square metres) to address the problem?
5	What other options should the government consider to achieve the same outcomes (see Appendix 1)?
6	Do you agree with MBIE's assessment of the benefits, costs and risks associated with the proposed option in the short and long term?
7	Are there any other benefits, costs or risks of this policy that we haven't identified?
8	Are there additional conditions or criteria you consider should be required for a small standalone house to be exempted from a building consent?
9	Do you agree that current occupational licensing regimes for Licensed Building Practitioners and Authorised Plumbers will be sufficient to ensure work meets the building code, and regulators can respond to any breaches?
10	What barriers do you see to people making use of this exemption, including those related to contracting, liability, finance, insurance, and site availability?
11	What time and money savings could a person expect when building a small standalone dwelling without a building consent compared to the status quo?
12	Is there anything else you would like to comment on regarding the Building Act aspects of this proposal?
Resource management system proposal	
13	Do you agree that enabling minor residential units (as defined in the National Planning Standards) should be the focus of this policy under the RMA?
14	Should this policy apply to accessory buildings, extensions and attached granny flats under the RMA?
15	Do you agree that the focus of this policy should be on enabling minor residential units in residential and rural zones?
16	Should this policy apply to other zones? If yes which other zones should be captured and how should minor residential units be managed in these areas?
17	Do you agree that subdivision, matters of national importance (RMA section 6), the use of minor residential units and regional plan rules are not managed through this policy?
18	Are there other matters that need to be specifically out of scope?
19	Do you agree that a national environmental standard for minor residential units with consistent permitted activity standards (option 4) is the best way to enable minor residential units in the resource management system?
20	Do you agree district plan provisions should be able to be more enabling than this proposed national environmental standard?

21	Do you agree or disagree with the recommended permitted activity standards? Please specify if there are any standards you have specific feedback on.
22	Are there any additional matters that should be managed by a permitted activity standard?
23	For developments that do not meet one or more of the permitted activity standards, should a restricted discretionary resource consent be required, or should the existing district plan provisions apply? Are there other ways to manage developments that do not meet the permitted standards?
24	Do you have any other comments on the resource management system aspects of this proposal?
Local Government Infrastructure Financing	
25	What mechanism should trigger a new granny flat to be notified to the relevant council, if resource and building consents are not required?
26	Do you have a preference for either of the options in the table in Appendix 3 and if so, why?
27	Should new granny flats contribute to the cost of council infrastructure like other new houses do?
Māori land, papakāinga and kaumātua housing	
28	Do you consider that these proposals support Māori housing outcomes?
29	Are there additional regulatory and consenting barriers to Māori housing outcomes that should be addressed in the proposals?

Appendix 1: Building Act Options

Options that do not require a building consent

OPTION DESCRIPTION	BENEFITS	RISKS/COSTS
<p>Option 1:</p> <p>Add new exemption to Schedule 1 of the Building Act</p> <p>The exemption would cover single storey, simple construction, standalone dwellings up to 60 square metres.</p> <p>If this option required occupational regulation of qualified professionals, this could help ensure building quality (Licensed Building Practitioners/Plumbers).</p>	<ul style="list-style-type: none"> Reduced time-to-build and regulatory burden (red tape), including avoided consent fees in the order of ~\$2,000-5,000 based on a standard consent. Provide flexibility for consumers to choose the particulars of the design and build. 	<ul style="list-style-type: none"> Increased risk of non-compliant buildings and public health risk (fire, sanitation, building failure) due to no third-party checks. No official record of these buildings may lead to issues with infrastructure, quality and safety. Potential difficulty for homeowners obtaining finance, insurance or seeking re-sale. Owners responsible for ensuring qualified professionals complete the work, however no entity would check this. May reduce demand for existing fast-tracked consenting pathways: MultiProof and BuiltReady. Adds complexity to the system.
<p>Option 2: (proposed option)</p> <p>Establish a new Schedule in the Building Act to provide an exemption for simple standalone dwellings up to 60 square metres with additional criteria than Schedule 1 to recognise increased risk of these buildings</p> <p>Requires occupational regulation of qualified professionals to ensure building quality as per Status Quo.³²</p> <p>Requires use of certain Building Code Acceptable Solutions (Structure, Weathertightness, Plumbing related) unless MultiProof and BuiltReady are</p>	<ul style="list-style-type: none"> Reduced time-to-build and regulatory burden (red tape), including avoided consent fees in the order of ~\$2,000-5,000. Provide flexibility for consumers to choose the particulars of the design and build. Provides a record to Councils that these dwellings exist to address issues with infrastructure, financing, and quality issues. Avoids significant negative impacts on MultiProof and BuiltReady and complements recent changes to improve flexibility of the MultiProof scheme. 	<ul style="list-style-type: none"> Increase in risk of non-compliant buildings due to no third-party checks, however lower risk than option 1 because of notification requirement and other criteria. Potential difficulty with finance, insurance and re-sale. Owners responsible for ensuring qualified professionals complete the work, however no entity would check this. Adds complexity to the system.

³² Under the Building Act, Licensed Building Practitioners are required to work within their area of competence and must abide by a Code of Ethics. Licensed Building Practitioners can be disciplined for carrying out or supervising building work in a negligent or incompetent manner. Note that Chartered Professional Engineers are deemed Licensed Building Practitioners (design licence class).

OPTION DESCRIPTION	BENEFITS	RISKS/COSTS
used, to support quality assurance. Unlike option 1, would include a requirement to notify to councils as a condition of the exemption.		
Option 3: Introduce a new opt-in self-certification regime for accredited companies and professionals, including for small standalone houses This self-certification scheme could include assurance and auditing systems to ensure applicants continue to meet requirements.	<ul style="list-style-type: none"> Reduced time-to-build and regulatory burden (red tape), including avoided consent fees in the order of ~\$2,000-5,000. Provide flexibility for consumers to choose the particulars of the design and build. Provides significant risk mitigations to building failure and public health and safety. Provides consumer protections and disputes processes. 	<ul style="list-style-type: none"> Will take longer to implement than Option 1 or 2 (quality assurance, training, monitoring, and enforcement regime) and would need to take account of a broader range of building work and wider impacts on the broader building system. Depending on the eligibility criteria and accreditation process, there is a risk that few companies and professionals meet requirements to self-certify. Adds complexity to the system.

Fast track building consent options

OPTION DESCRIPTION	BENEFITS	RISKS/COSTS
Option 4: Targeted promotion campaigns of BuiltReady and MultiProof, specifically for standalone dwellings up to 60 square metres This promotion would include making existing designs more visible to members of the public wishing to purchase them and would encourage more designers to create designs to serve the "granny flat" market.	<ul style="list-style-type: none"> Reduced time-to-build, but less effective than options that don't require building consent. Quality assurance and consumer protection mechanisms are built into the schemes. Provides a record to Councils that these dwellings exist to address issues with infrastructure, financing, and quality issues. Complements recent changes to improve flexibility of the MultiProof scheme. 	<ul style="list-style-type: none"> Risk of lower impact on the market compared to option 1, 2 or 3. Limits consumer flexibility to choose particulars of design and build.
Option 5: New MBIE/Government MultiProof approval for a 60 square metre standalone dwelling This option would see the government developing specific designs for small standalone houses and approving them	<ul style="list-style-type: none"> Provides ready-made, free to access designs. Reduced time-to-build, but less effective than options that don't require building consent. Quality assurance and consumer protection mechanisms are built into the schemes. Provides a record to Councils that these dwellings exist – 	<ul style="list-style-type: none"> Risk of lower impact on the market compared to option 1, 2 or 3. Limits consumer flexibility to choose particulars of design and build. Could negatively impact demand for self-contained dwellings at 60 square metres and under that have already been approved through

<p>under MultiProof. These could then be made freely available to the public.</p> <p>If demand for these designs is strong, it could stimulate private designers to develop MultiProof designs to service the "granny flat" market.</p>	<p>can help to address potential issues with infrastructure, financing, and quality issues.</p> <ul style="list-style-type: none">• Complements recent changes to improve flexibility of the MultiProof scheme.• Enables MBIE to ensure designs meet certain standards.	<p>MultiProof for private companies.</p>
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Appendix 2: Resource Management Act Options

National direction supports local decision-making under the RMA. Tools include national policy statements (NPS), national environmental standards (NES) and the national planning standards.

An NPS enables the Government to prescribe objectives and policies for matters of national significance. An NPS may give direction to councils on how they need to give effect to the policies and objectives in the NPS. Where directed, councils are not required to undertake a plan change process under schedule 1 of the RMA to give effect to an NPS.

An NES is a form of regulation that can set detailed resource consenting requirements, rules and standards. NESs take immediate effect from commencement date (or another stated date) and override existing RMA plan rules. Councils are not required to undertake a plan change process under schedule 1 of the RMA to give effect to an NES or remove conflicting or duplicative rules.

The purpose of the national planning standards is to ensure consistency in RMA plans and make them more efficient and easier to prepare and use. The current national planning standards set out requirements for the structure, form, definitions, and electronic accessibility of RMA plans. They can also, set out objectives, policies and rules that must be included in RMA plans. The national planning standards can direct changes in RMA plans that do not need to go through a plan change process under schedule 1 of the RMA.

The options for national direction to enable minor residential units (MRU) under the RMA are outlined in the table below.

OPTION DESCRIPTION	BENEFITS	RISKS/COSTS
Option 1: Status quo Councils continue to develop their own district plan rules relating to MRUs. Rules continue to largely permit MRUs in residential zones, and mostly permit MRUs in rural zones, but are based on different permitted activity standards which can be more or less restrictive.	<ul style="list-style-type: none"> No intervention required. Councils continue to have autonomy to make district plan decisions, alongside their communities. 	<ul style="list-style-type: none"> Restrictions on the development of MRU. Inconsistent rules and permitted activity standards for MRUs across New Zealand.
Option 2: National policy statement (NPS) for minor residential units NPS prescribes objectives and policies for MRUs that councils must implement in their district plans.	<ul style="list-style-type: none"> Could take into account local variation when the NPS is implemented. 	<ul style="list-style-type: none"> Could still lead to inconsistent rules and permitted activity standards. Could require councils to undertake a plan change under schedule 1 of the RMA for some aspects of the NPS. This would increase the implementation requirements for councils.
Option 3: National planning standard for minor residential unit National planning standard sets out objectives, policies, rules and permitted activity standards for minor residential units.	<ul style="list-style-type: none"> Takes effect on commencement, reducing implementation requirements for councils. Supports consistency with national planning standards definitions, including the definition of minor residential unit. 	<ul style="list-style-type: none"> Inconsistent with the current scope of the national planning standards. Would not take into account the differences in zones across New Zealand.

	<ul style="list-style-type: none">When permitted activity standards are not complied with, objectives and policies could support councils to process resource consents.	
<p>Option 4: National environmental standard (NES) for minor residential units with a consistent permitted activity standard (preferred option)</p> <p>NES requires that councils permit MRU. The NES sets out a consistent set of permitted activity standards. Permitted activity standards could be different in residential and rural zones.</p>	<ul style="list-style-type: none">Takes effect on commencement, reducing implementation requirements for councils.Consistent permitted activity standards across New Zealand.Would likely be more enabling for MRU.	<ul style="list-style-type: none">Would not take into account the differences in zones across New Zealand.

Appendix Three: Options for Notification and Funding Infrastructure

The table below presents options for changes to the RMA and the Building Act to require the relevant council be notified of a granny flat. This would trigger development contributions and housing records when a granny flat is built without needing a consent(s).

OPTION DESCRIPTION	BENEFITS	RISKS / COST
Option 1: Via the RMA Create a 'Permitted Activity Notice' (PAN) ³³ tool to record a new granny flat that didn't need resource consent. This would be a new tool under the RMA and would require change to the legislation. This option would require an amendment to the Local Government Act 2002 (LGA02).	<ul style="list-style-type: none"> Creates a council record of the new granny flat, involving less process, time and cost than a resource consent would. Provides an opportunity for a development contribution trigger. 	<ul style="list-style-type: none"> Introduces an administrative process for granny flats, not currently required as they may already be a permitted activity (so do not need resource consent) in most district plans. A PAN records the granny flat when it is proposed but does not inform the council when it has been built. The council will not know when to plan increased infrastructure capacity for or charge rates etc. Administrative charges are likely to be required by councils for PANs as council resource would be required in their assessment and filing. As this is a new tool. Risks that a PAN is not applied for and therefore the requirement for a development contribution is not triggered. Would require legislative change to the RMA which adds to the complexity of the resource management system.

³³ PAN's were established in the Natural and Built Environment Act, which has been repealed. The regulatory design and regulatory impact analysis behind the repealed act can be revisited for the granny flat proposal.

OPTION DESCRIPTION	BENEFITS	RISKS / COST
<p>Option 2: Via the Building Act</p> <p>Under the proposed Building Act option a tool similar to a Project Information Memorandum (PIM)³⁴ is proposed to be required before construction. This is intended to support appropriate design and create a record of the building, involving less process, time and cost than a building consent would.</p> <p>Development contributions could be required at this point.</p> <p>This option would require an amendment to the LGA02.</p> <p>As part of the proposed Building Act option, notification to the council is proposed once work has been completed.</p>	<ul style="list-style-type: none"> Creates a council record of the new granny flat, involving less process, time and cost than a building consent would. Provides an opportunity for a development contribution trigger. Having the council record provides greater assurance to current and future owners (and potentially banks and insurers). 	<ul style="list-style-type: none"> Councils generally charge in the order of \$300-\$700 per PIM for administration and assessment. Risk that a PIM is not applied for and therefore the requirement for a development contribution is not triggered. Enforcement options for paying development contributions would rely on fines only, which may be of limited effectiveness compared to consent-based options.

³⁴ Under the Building Act, a PIM provides information about land and the requirements of other Acts that might be relevant to proposed building work.



Te Kāwanatanga o Aotearoa
New Zealand Government

AOG 11133

9 Consideration of Urgent Business Items

10 Consideration of Minor Nature Matters

11 Public Forum Items Requiring Consideration