

9 August 2024

Building System Performance
Building, Resources and Markets
Ministry of Business, Innovation and Employment
Wellington

Via email: GrannyFlats@mbie.govt.nz

Tēna koe,

SUBMISSION ON MAKING IT EASIER TO BUILD GRANNY FLATS

1. The Dunedin City Council (DCC) welcomes the opportunity to submit on the proposal for making it easier to build granny flats (referred to in our submission as minor residential units, or MRUs). The DCC acknowledges the intention of the proposal to make housing more affordable and increase the supply of small houses, and broadly supports this outcome.
2. However, DCC has concerns regarding the issues as identified in the consultation document, the policy response, and implications for DCC functions and for property owners. These concerns are outlined in detail in the submission form attached, in response to the consultation questions.
3. In summary, DCC wishes to highlight the following points:
 - a. Time delays and costs for processing building consents and resource consents for MRUs are unlikely to be significantly impacting the development of MRUs in Dunedin. This is due to the relatively low processing time and cost for building consents compared to the overall time and cost of construction, and Dunedin's district plan already permitting MRUs in many situations.
 - b. Removing supervision of building work by the DCC as a Building Consent Authority removes essential quality assurance mechanisms and exposes property owners to potential costs arising from incomplete or faulty building work, inability to obtain insurance, and impacts on property value.
 - c. A National Environmental Standard that duplicates or conflicts with existing district plan provisions that enable MRUs in Dunedin could result in a system that is overly complex and confusing, detracting from the time and cost savings sought.
 - d. The proposal presents significant risks to the DCC, such as DCC potentially being liable for faulty building work that it has no role in inspecting, DCC not being notified of building work so that development contributions can be avoided, unauthorised building over DCC infrastructure, unauthorised connections to DCC infrastructure, and unanticipated levels of development impacting 3 waters infrastructure.

4. DCC's preference is for Government to focus on other measures that would more directly reduce the time and cost of developing MRUs, such as encouraging the mass production of ready-built MRUs with pre-approved building plans.
5. However, should the proposal be pursued, DCC requests that changes are made to ensure the following outcomes (amongst others outlined in the attached submission form):
 - a. Local authorities will not be liable in any way for faulty building work.
 - b. There are significant deterrents to non-notification of building work to councils and to non-payment of development contributions (i.e., a \$1000 fine is not enough).
 - c. Licensed Building Practitioners (LBPs) must carry a minimum level of insurance to cover incomplete or faulty building work, and the licensing scheme is reviewed to significantly reduce the risk of faulty building work by LBPs.
 - d. Councils that already enable MRUs in their district plans (like Dunedin) are exempt from any National Environmental Standard.
 - e. Any MRU that meets all the permitted standards of the National Environmental Standard does not require consideration of any similar district plan provisions, to avoid confusion.
 - f. The permitted standards in any National Environmental Standard should be amended and expanded to better manage environmental effects and avoid unintended consequences, as detailed in the submission form.
6. Thank you for taking the time to consider DCC's submission.

Ngā mihi



Jules Radich
MAYOR OF DUNEDIN