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Kia ora Harriet,

## **ICNZ SUBMISSION ON THE PROPOSED NATIONAL ENVIRONMENTAL STANDARDS FOR GRANNY FLATS (MINOR RESIDENTIAL UNITS)**

Thank you for the extension of time to submit on the proposed National Environmental Standards for Granny Flats (Minor Residential Units). The proposals form part of Package 1 (Infrastructure and development) of the Government's national direction programme. Te Kāhui Inihua o Aotearoa | The Insurance Council of New Zealand (ICNZ) has previously provided a submission on the proposed National Policy Statement of Natural Hazards which forms part of the same package.

ICNZ is the representative organisation for general insurance companies in New Zealand. Our members collectively write more than 95% of all general insurance in New Zealand and protect over \$2 trillion of New Zealanders' assets.

ICNZ advocates to sustain a strong and affordable insurance sector, and to enhance the safety and protection of all New Zealanders by strengthening resilience and reducing the risks of climate change to communities and the economy.

ICNZ acknowledges the policy objective of providing more affordable housing. However, we wish to highlight that there are potential risks associated with the proposal to exempt small dwellings of up to 70 square metres<sup>1</sup> from the requirement for a resource consent.

Making it easier to build an additional residence on a property will increase housing density. There are a number of risks associated with greater housing density that we would like to highlight.

Greater housing density may increase flood risk. Most of New Zealand's stormwater, wastewater and flood mitigation infrastructure was not built for the population, weather, or lifestyles we have

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<sup>1</sup> Although MfE's Discussion Document on Package 1: Infrastructure and development <https://environment.govt.nz/assets/publications/RMA/package-1-infrastructure-and-development-discussion-document.pdf> refers to making it easier to build "granny flats" at 70 sqm these dwellings may be regarded as small houses.

today. As we experience more extreme weather, previous flood events have shown that our cities' stormwater systems cannot always cope with flash floods and heavy rainfall. Greater housing density will place even more pressure on existing infrastructure which will exacerbate the flood risks we already experience.

Furthermore, if greater housing density occurs in areas with higher natural hazard risks, it will lead to a higher aggregation of risk to be borne by the insurance market, which may in turn lead to increased premiums.

We therefore consider that permitted activity status should only apply in areas that are determined to have a natural hazard risk that is "low". This would reduce the risk of uncontrolled intensification in "moderate" or "high" risk areas for natural hazards.

Greater housing density may also mean that there is a higher risk of the spread of fire due to the physical proximity of the buildings, which is aggravated by access issues that fire and emergency services experience. This is a risk not just to property but to life.

We are therefore concerned that the proposed Natural Environmental Standards provide that the Council cannot apply access standards to Minor Residential Units. We consider that access is a matter that local authorities should be enabled to regulate in order to facilitate access by fire and emergency services. This will likely lead to greater protection for property and life.

Ngā mihi,

A handwritten signature in black ink, appearing to read 'Susan Ivory'. The signature is fluid and cursive, with a prominent vertical stroke for the letter 'I'.

Susan Ivory  
Regulatory Affairs Manager  
Insurance Council of New Zealand