

12 August 2024

Consultation: Making it easier to build Granny Flats
Building System Performance
Building, Resources and Markets
Ministry of Business, Innovation and Employment
PO Box 1473, Wellington 6140, New Zealand

Submitted by email to GrannyFlats@mbie.govt.nz
CC' Hon Chris Penk at Chris.Penk@parliament.govt.nz

To whom it may concern,

Electricity Networks Aotearoa (ENA) appreciates the opportunity to make a submission to the discussion document on Making it easier to build Granny Flats (2024).

ENA represents the 27 electricity distribution businesses (EDBs) in New Zealand (see Appendix A) which provide local and regional electricity networks. EDBs employ 10,000 people, deliver energy to more than two million homes and businesses and have spent or invested \$8 billion in the last five years.

ENA is broadly supportive of efforts the Government is making to address the housing crisis through increasing housing choice and affordability via housing intensification. This submission focusses on the potential safety risks arising from unreasonable proximity to electricity lines that this policy may not have identified.

Q7. Are there any benefits, costs or risks of this policy that we haven't identified?

Appropriate safeguards should be introduced to ensure that 'granny flats' are safe from electrical hazards so that the housing meets New Zealand's expectations of safety and quality. Mandatory minimum safe distances exist for excavation and construction near electronic line supports as well as between conductors and buildings under the New Zealand Electrical Code of Practice for Electrical Safe Distances: 2001 (ECP 34). Compliance with ECP 34 is legally required by Regulation 17 of the Electricity (Safety) Regulations 2010, but consents are still being issued for buildings that cannot be constructed, occupied, or maintained because they are dangerously close to overhead electricity lines. It is an offence under Regulation 17(3) if safe distances are not maintained. ENA has provided photos of some buildings that do not meet the ECP 34 requirements in Appendix B.

The lack of compliance with ECP 34 is a result of a long-term regulatory gap between the Electricity Act 1992 and compliance processes under the Building Act 2004 and Resource Management Act 1991. This has effectively excluded ECP 34 from consideration when new

buildings are consented. As a direct result, many building owners and others in the building sector are unaware of the obligation to comply with the requirements of ECP 34.

This is a longstanding issue for EDBs, with those operating networks in bigger cities being the most affected. The electricity distribution, transmission, and engineering sectors have called for this issue to be corrected since 2009 via submissions on successive legislative amendments. The issue has largely been ignored despite the serious safety and financial risks for homeowners and developers associated with non-compliance with ECP 34.

Where a building is not ECP 34 compliant, wind swaying a line or a tree falling may push a live line into the building. The line touching the building can cause an electrical fault, leading to a spark or arc. If the spark ignites flammable materials, it could pose a significant fire risk. There is also the risk of death or serious injury to people on the property if they contact material that has been livened by the electricity line. Building owners might only become aware of their non-compliance with ECP 34 if the local EDB notices that the building is too close to an electricity line and informs someone on the premises. The cost to retroactively achieve compliance with ECP 34 can, in some cases exceed the value of the building work. For granny flats to be affordable and safe there must be immediate changes to the consenting process to reduce non-compliance.

ENA therefore proposes that the requirement of ECP34 compliance should be included within the Building Code and potentially within the new Building Act schedule itself that provides an exemption for granny flats. ENA supports the examples provided by several of its members on how the Building Code could be amended to give effect to ECP 34.

Q8: Are there additional conditions or criteria you consider should be required for a small standalone house to be exempted from a building consent?

The proposed building consent exempt conditions under Option 2 don't currently protect against non-compliance with ECP34. ENA encourages the Government to consider that the risk of non-compliance won't necessarily be mitigated by property owners using qualified professionals or notifying the Council that the building is being developed. The risk is further increased by the building not requiring an engineer's report, as this is another level where potential non-compliance could be identified. Option 2 makes building owners responsible for ensuring qualified professionals complete the work but as mentioned in the discussion document, there is no entity monitoring this requirement. If building owners don't engage a qualified professional to complete the work, this may remove another potential 'check' for ECP 34 compliance.

ENA recommends that for a granny flat to be exempt from a building consent there should be a further requirement to remain clear of electrical power infrastructure as per ECP 34. This is not an additional layer of compliance as the legal obligation already exists and if additional layers of 'checks' on the building are removed as outlined above, it is essential that ECP 34 compliance is a requirement for exemption.

Q12. Is there anything else you would like to comment on regarding the Building Act 2004 aspects of this proposal

Recent policy changes such as the National Policy Statement for Urban Development 2020 and the Resource Management (Enabling Housing Supply and Other Matters) Amendment Act, have rapidly escalated encroachment of new development on overhead electricity networks.

Now is the time to make the appropriate changes to the Building Act 2004 to ensure that it is explicit that ECP 34 must be considered when new buildings are being given consent. If the Government proceeds without implementing these safeguards, the exemptions proposed in this policy change will increase the likelihood of serious injury and death from electrical hazards.

Urgent resolution of this regulatory oversight is needed to ensure that the granny flat policy leads to the construction of safe housing.

Do not hesitate to get in touch with ENA if you'd like to discuss any of the points raised in our submission. Please contact Sophie Tulley (sophie@electricity.org.nz) in the first instance.

Yours sincerely,



Sophie Tulley
Policy & Innovation Advisor
Electricity Networks Aotearoa

Appendix A: ENA Members

Electricity Networks Aotearoa makes this submission along with the support of its members, listed below.

Alpine Energy

Aurora Energy

Buller Electricity

Centralines

Counties Energy

Electra

EA Networks

Firstlight Network

Horizon Energy Distribution

MainPower NZ

Marlborough Lines

Nelson Electricity

Network Tasman

Network Waitaki

Northpower

Orion New Zealand

Powerco

PowerNet

Scanpower

The Lines Company

Top Energy

Unison Networks

Vector

Waipa Networks

WEL Networks

Wellington Electricity Lines

Westpower

Appendix B: Buildings not compliant with ECP 34



Figure 1: Non-compliant building and scaffold near 400V and 11kV lines – the building had to be partially demolished and re-consented to compliance.

Source: Vector.



Figure 2: Non-compliant rural building below 400v and 11 kV lines.

Source: Vector.



Figure 3: Non-compliant building and scaffold near 400V lines. Unauthorised third-party insulation was applied by an unknown person.

Source: Vector.