SUBMISSION



Submission from New Zealand Minerals Council to the Transport and Infrastructure Committee Building and Construction (Small Stand-alone Dwellings) Amendment Bill June 2025

Introduction

- New Zealand Minerals Council, formerly Straterra, is the industry association representing the New Zealand minerals and mining sector. Our membership is comprised of mining companies, explorers, researchers, service providers, and support companies.
- 2. We welcome the opportunity to make this submission on the <u>Building and Construction (Small Standalone Dwellings)</u> Amendment Bill (the bill).
- 3. The bill will allow small stand-alone dwellings (commonly referred to as granny flats) to be built without a building consent. It is one of a number of initiatives the Government is undertaking to address the housing shortage in New Zealand.
- 4. We are making this submission in response to a specific need for housing in areas where increased mining activity has brought, or is anticipated to bring, an influx of jobs often requiring relocation from outside the areas to meet the demand.
- 5. We are happy to speak to this submission if required.

Growth in the mining sector

- 6. The mining industry is gearing up to meet the Government goal of doubling mineral exports and creating jobs and economic growth. This is driven by a growing awareness of the importance of minerals and increasing global demand and is supported by the Government's A Minerals Strategy for New Zealand to 2040, released in January 2025.
- 7. There are a number of mining projects at different stages of development in various parts of New Zealand, all creating a significant demand for workers.
- 8. For example, on the West Coast, 1,200 new jobs from six mineral sector projects are in the pipeline according to Development West Coast. This is a significant addition to the region's existing workforce of 17,190 and filling these jobs will result in a population influx and a need for a significant number of new houses. Accompanying family members will accentuate this population boost and housing need.
- Other areas around the country are facing similar pressures. For example, in Central Otago, worker demand from just one mine will require the construction of an additional 226 homes above the current build rates, over the next 11 years.

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- 10. Not only will the influx in some places contribute to an existing housing shortage, but a shortfall would also make it harder to attract workers to these places to support/enable the economic growth that the industry can provide.
- 11. Many of the projects will require housing close to the mines away from major population centres.
- 12. In response to this demand there are a range of housing solutions mining companies are looking at for their workers from small units to larger family homes and dwellings built under this legislation may be part of that.

The Building and Construction (Small Stand-alone Dwellings) Amendment Bill

- 13. While the bill is targeted at people who want to build granny flats on their properties (small standalone dwellings), it does not limit how many properties can be built (on a single section or multiple sections) as long as certain conditions are met.
- 14. We believe this has potential to be positive for the mining sector as it could help speed up the construction of accommodation units necessary to meet the housing demand generated by the growing interest in mining.
- 15. We recommend the bill be reviewed and amended where appropriate so that it is clear that the mining sector (and others) can use the bill for this purpose/to meet workers' accommodation needs.
- 16. We support the conditions contained within the bill applying to the dwellings, namely that:
 - The accommodation units must have simple design and meet the building code.
 - That building work must be carried out by authorised professionals.
 - Councils must be notified prior to and upon completion of work.
- 17. These conditions are important to maintain the integrity of the scheme and to ensure that new dwellings built under the bill are of a high quality and meet minimum standards.
- 18. It is important to the industry that as well as providing accommodation for workers the dwellings will be valued by the community where they are located. For this reason, companies are keen to, and are, working in conjunction with local authorities and communities.
- 19. While we support the conditions listed in the bill and other provisions which provide for high standards, it is important to note that the industry will seek a social licence within the communities it operates, and worker accommodation is part of that. This means there is an inbuilt incentive, in addition to the provisions of the bill, for companies to ensure that worker accommodation is of a high standard and is welcomed by the community, both during and after the life of the mine.

Other government initiatives

- 20. To facilitate and accelerate home building in New Zealand generally we are aware that a second bill implementing a self-certification scheme is to be introduced later this year. This will allow reputable building companies to sign off their own work without the need for a building consent and is focused on large numbers of near-identical houses. The scheme will be operational by late 2026.
- 21. The Government has also recently announced resource management changes specifically intended to encourage new housing as set out in the Going for Housing Growth discussion document.

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- 22. While these changes will likely go some way to meeting the housing shortages faced by the country as a whole, more immediate action is needed to address the looming accommodation problem in the mining sector.
- 23. The timeframe of the bill is better suited for the mining sector's imminent requirements than the yet-to-be introduced self-certification bill. Small stand-alone dwellings will be an important part of the mix in many places and will add to the range of options suitable for mine worker accommodation requirements.

Other points

- 24. Many of the projects will require housing close to the mines away from main population centres. Small dwellings might suit mine workers who travel to the area to work in the mine for a number of days and return to their permanent homes in nearby cities or towns in between their shifts.
- 25. While pressing for the mining companies and communities involved, the housing demands of the new mining projects are small by national standards. We would expect the dwelling construction for the sector enabled by this bill to make up only a small proportion of the new builds nationwide.
- 26. The new dwellings would be located in select regional areas where mining takes place and would likely be built by a small number of mining companies / developers associated with those mining projects.
- 27. Mining projects have a finite life and after they are completed the dwellings could be used for visitor accommodation or to provide other kinds of housing to fit the region's needs. It is important to the industry that the dwellings will be valued long term after the life of the mine and are of sufficient quality to enable this.