

SUBMISSION ON

Proposed National Environment Standard Granny Flats (MRUs)

25 July 2025

To: Ministry for the Environment

Name of Submitter: Horticulture New Zealand

Supported by: Pukekohe Vegetable Growers Association,
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OVERVIEW

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Our submission

Horticulture New Zealand (HortNZ) thanks the Ministry for the Environment (MfE) for the opportunity to submit on the National Environment Standard Granny Flats (MRUs) and welcomes any opportunity to continue to work with MfE to discuss our submission.

HortNZ wishes to be heard in support of our submission and would be prepared to consider presenting our submission in a joint case with others making a similar submission at any hearing.

The details of HortNZ's submission and decisions we are seeking are set out in our submission below.

HortNZ's Role

Background to HortNZ

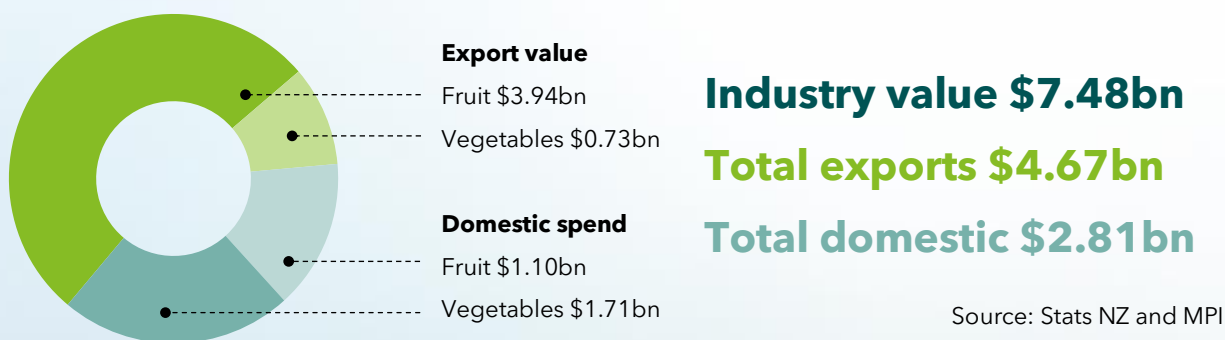
HortNZ represents the interests of approximately 4,500 commercial fruit and vegetable growers in New Zealand who grow around 100 different fruits and vegetables. The horticultural sector provides over 40,000 jobs.

There are approximately 80,000 hectares of land in New Zealand producing fruit and vegetables for domestic consumers and supplying our global trading partners with high quality food.

It is not just the direct economic benefits associated with horticultural production that are important. Horticulture production provides a platform for long term prosperity for communities, supports the growth of knowledge-intensive agri-tech and suppliers along the supply chain, and plays a key role in helping to achieve New Zealand's climate change objectives.

The horticulture sector plays an important role in food security for New Zealanders. Over 80% of vegetables grown are for the domestic market and many varieties of fruits are grown to serve the domestic market.

HortNZ's purpose is to create an enduring environment where growers prosper. This is done through enabling, promoting and advocating for growers in New Zealand.



HortNZ's Resource Management Act 1991 Involvement

On behalf of its grower members HortNZ takes a detailed involvement in resource management planning processes around New Zealand. HortNZ works to raise growers' awareness of the Resource Management Act 1991 (RMA) to ensure effective grower involvement under the Act.

Executive Summary

HortNZ supports the objective of enabling housing flexibility but has significant concerns about the application of the proposed National Environment Standard Granny Flat (NESGF) in rural zones, particularly areas of highly productive land (HPL). The proposed standard appears to be urban-centric in design, focused on housing intensification, and does not adequately reflect the operational realities or land-use conflicts in rural production areas. We acknowledge that there may be a place for Minor Residential Units (MRUs) in the rural environment and that they can be used to support primary production (e.g. housing for workers). However MRUs are activities consistently identified across district plans as sensitive to the effects of primary production and afforded regulatory controls to avoid or minimise conflict between occupants of MRUs and growers undertaking lawful rural production activities.

Key outcomes and concerns:

- **MRUs are a sensitive activity.** Their establishment close to horticultural operations without appropriate setbacks creates a high risk of reverse sensitivity, where new residents may object to lawful primary production activities. The NESGF currently fails to acknowledge or manage these risks
- **Stronger Setbacks in Rural Zones:** The proposed 5-metre side and rear boundary setbacks are inadequate for rural contexts, where activities that generate sights, noise, odour, agrichemical application or other discharges are routine. HortNZ seeks a minimum 30-metre setback for MRUs in rural zones to avoid or minimise conflict and protect primary production activity
- **Prohibit More Lenient Rules by Councils:** The NESGF proposes to allow councils to set more lenient standards, which could further reduce rural protections. HortNZ opposes this, as it would enable councils to undermine nationally consistent safeguards for primary production and encourage inappropriate residential encroachment into productive land
- **Clarify Purpose and Scope:** The NESGF blends urban and rural housing issues under a single framework. This one-size-fits-all approach is not appropriate for managing land use on or near HPL. The NES must distinguish between urban housing needs and rural land-use compatibility to ensure that MRUs do not lead to land fragmentation and reverse sensitivity issues
- **Support Use of MRUs for Seasonal or Permanent Worker Accommodation:** HortNZ supports the use of MRUs in rural areas for seasonal or permanent worker accommodation. Clear definitions and exclusions are needed to support this function while protecting primary production
- **No Consenting Pathway for Non-Complying MRUs:** The NESGF does not provide a clear consenting pathway for MRUs that do not meet permitted activity standards. This creates uncertainty for councils and applicants and risks inappropriate default to non-complying status.

The current NESGF does not provide the necessary protections for rural areas or primary production from reverse sensitivity issues. Amendments are required to ensure MRUs do

not inadvertently undermine the National Policy Statement for Highly Productive Land (NPSHPL) or the viability of the horticulture sector.

Submission

1. National Environment Standard Granny Flat

1.1. Clarifying Terminology: “Granny Flats” vs. Minor Residential Units (MRUs)

There is potential for confusion in the proposed NESGF due to its inconsistent use of terminology. While the standard is promoted as applying to “granny flats,” the defined activity it regulates is an MRU.

The term “granny flat” has no formal legal definition under the Resource Management Act (RMA) or within the NESGF itself. It is widely understood as an informal term referring to a small, self-contained residential unit located on the same site as a principal dwelling—typically intended for an elderly relative or dependent family member.

In contrast, the NESGF introduces and defines MRUs in a broader, more formal context, which may encompass a wider range of uses. This conflict between the branding of the policy and the legal terminology used in its provisions risks creating misunderstanding.

To improve clarity and accurately reflect the regulatory intent, the name of the standard should be changed to:

National Environmental Standards for Minor Residential Units.

This would align the title of the instrument with the actual defined activity and reduce ambiguity in implementation and interpretation.

1.2. Absence of Consent Pathway

The proposed NESGF does not provide a consenting pathway for MRU that do not meet the permitted activity standards. Without a restricted discretionary or controlled activity status, councils are left without clear direction on how to assess applications that fall outside the permitted thresholds. This could result in applications defaulting to non-complying or discretionary status under district plans, creating uncertainty, increased costs, and inconsistent outcomes. Providing a consenting pathway within the NES would give councils the tools to manage effects while still supporting the policy intent of enabling small-scale housing.

1.3. Urban Focus of NESGF Risks Undermining Rural Production

The NES has been developed to enable housing intensification in urban and suburban areas where supporting infrastructure is already in place. However, applying a uniform set of rules across all zones - including rural areas - risks creating unintended consequences. MRUs are considered sensitive activities, and their proximity to primary production land can heighten the risk of reverse sensitivity, potentially undermining essential operations.

HortNZ submits that a more tailored and spatially responsive approach is required, recognising that urban and rural environments demand different planning responses. Without such differentiation, the NES may inadvertently prioritise residential development at the expense of rural productivity, increasing land use conflicts and pressure on established primary production activities.

1.4. Inadequate Reverse Sensitivity Protection

1.4.1. SENSITIVE ACTIVITIES AND REVERSE SENSITIVITY

Reverse-sensitivity means the potential for the operation of an existing lawfully established activity to be compromised, constrained, or curtailed by the more recent establishment or alteration of another activity which may be sensitive to the actual, potential or perceived adverse environmental effects generated by an existing activity.

The NPSHPL1 applies a directive policy on reverse sensitivity:

Policy 9: Reverse sensitivity effects are managed so as not to constrain land-based primary production activities on highly productive land.

The policy applies in all circumstances where land-based primary production activities on HPL might be affected by reverse sensitivity effects – eg - those within rural zones and at the urban to rural interface. The policy is implemented in several ways including through 3.13:

3.13 Managing reverse sensitivity and cumulative effects

(1) Territorial authorities must include objectives, policies, and rules in their district plans that:

(a) identify typical activities and effects associated with land-based primary production on highly productive land that should be anticipated and tolerated in a productive rural environment; and

(b) require the avoidance if possible, or otherwise the mitigation, of any potential reverse sensitivity effects from urban rezoning or rural lifestyle development that could affect land-based primary production on highly productive land (where mitigation might involve, for instance, the use of setbacks and buffers); and

(c) require consideration of the cumulative effects of any subdivision, use, or development on the availability and productive capacity of highly productive land in their district.

Defining a sensitive activity

Sensitive activity is not defined in the RMA or the National Planning Standards. While the proposed NES-GF references several examples of sensitive activities, it does not provide a clear or consistent definition. This creates uncertainty for councils and landowners when determining whether certain effects-based provisions—such as setbacks from primary production activities or infrastructure—should apply. To support effective implementation and avoid inconsistent interpretation across districts, the NES-GF should include a specific definition of sensitive activities.

¹ <https://environment.govt.nz/assets/publications/National-policy-statement-highly-productive-land-sept-22-dated.pdf>

District plans commonly manage reverse sensitivity by defining sensitive activities and applying a targeted framework of objectives, policies, and rules—particularly where such activities are located near established primary production operations.

Table one: A summary of sensitive activities defined in district plans.

District Plan	Sensitive Activity
Central Hawke's Bay District Plan - Operative in Part (2024)	<p>SENSITIVE ACTIVITY</p> <p>activities which are sensitive to noise, dust, the use and storage of hazardous substances, spray residue, odour or visual effects of nearby activities. Includes</p> <ul style="list-style-type: none"> • residential activities, • marae, • urupā, • visitor accommodation, • camping grounds, • rest homes, • retirement villages, • day care facilities, • educational facilities, • community facilities, • health care facilities and • hospitals.
Partially Operative Selwyn District Plan (Appeals Version)	<p>SENSITIVE ACTIVITY</p> <p>means any:</p> <ul style="list-style-type: none"> • residential activity • visitor accommodation • community facility • educational facility
Mackenzie District Plan	<p>SENSITIVE ACTIVITY</p> <p>means any:</p> <ol style="list-style-type: none"> a. residential activity b. visitor accommodation c. community facility d. educational facility
Proposed Waimakariri District Plan	<p>SENSITIVE ACTIVITY</p> <p>means activities and facilities including, but is not limited to,</p> <ul style="list-style-type: none"> • educational facilities, • community facility, • healthcare facility, • childcare facilities, • residential units, • minor residential units, • retirement village, • visitor accommodation, • community facility, • offices and • hospitals.
Proposed Timaru District Plan	<p>SENSITIVE ACTIVITY</p> <p>means:</p> <ol style="list-style-type: none"> 1. Residential activities; 2. Education facilities and preschools; 3. Guest & visitor accommodation;

	<ol style="list-style-type: none"> 4. Health care facilities which include accommodation for overnight care; 5. Hospitals; 6. Marae (building only); or 7. Place of assembly.
Far North Proposed District Plan	<p>SENSITIVE ACTIVITY means:</p> <ol style="list-style-type: none"> a. Residential activities; b. Education facilities and preschools; c. Guest and visitor accommodation; d. Health care facilities which include accommodation for overnight care; e. Hospital; f. Marae; or g. Place of assembly.
Proposed Kaipara District Plan	<p>SENSITIVE ACTIVITY means all or any of the following:</p> <ol style="list-style-type: none"> h. an educational facility, including a childcare facility, wananga and kohanga reo, i. a residential activity, including papakainga building, rest home, retirement village, visitor accommodation, home stay; j. a healthcare activity; and k. a hospital.

1.4.2. SETBACKS FOR MRUS IN RURAL ZONES

It is reasonable to expect residential activities and MRUs in the rural environment. They can be associated with rural lifestyle living or supporting activities for primary production.

The supporting activity status is clarified in the context of Highly Productive Land through the [National Policy Statement for Highly Productive Land: Guide to implementation](#). While recognised for this purpose, this guidance comments on reverse sensitivity in the context of interpreting Clause 3.9(3)(b) of the NPSHPL²:

Clause 3.9(3)(b) requires applicants to “avoid if possible or otherwise mitigate” any actual or potential reverse sensitivity effects on land-based primary production activities from the proposed use or development. Many of the activities listed in Clause 3.9(2) are unlikely to create reverse sensitivity effects (eg, restoring indigenous biodiversity or flood mitigation works). However, supporting activities such as residential dwellings for farm owners/managers, farm worker accommodation or small-scale activities such as home businesses or small-scale visitor accommodation, do have the potential to cause reverse sensitivity effects. Often, potential reverse sensitivity effects can be avoided (or, if not fully avoided, mitigated) by either:

- *physically separating the potentially sensitive activity from the land-based primary production activity*
- *using a barrier or screen (eg, shelter belt planting, fencing) to help block potential odours, noise, dust or the visual presence of the land-based primary production activity.*

Physical separation is achieved through setbacks which can vary in district and regional plans. The most recent generation of plans has moved to increase residential activity

² [NPS-HPL-with-2024-Amendments.pdf](#)

setbacks in Rural Production and General Rural zones. This is likely a response to a range of issues including legacy fragmentation and development now impacting on primary production.

Table two: Internal setbacks in operative or proposed district plans

District Plan	Setback
Partially operative Selwyn	30m for Residential Units and Seasonal Workers Accommodation.
Proposed Timaru	20m internal boundary setback from any other site boundary in a different ownership where a primary production activity is being conducted.
Partially operative Waikato	Parcel size less than 1.6ha a 25m setback from the boundary of an adjoining site greater than 6ha and 12m from a site less than 6ha. Parcel size greater than 1.6ha a 25m setback.
Operative Mackenzie District	10m structures and accessory buildings. 20m all other Buildings.
Partially operative Hawkes Bay	For sites greater than 2.5ha, minimum setback of buildings for an activity from internal boundaries is 15m. For sites 2.5ha or less, minimum setback of buildings for an activity from internal boundaries shared with an adjoining lot greater than 2.5 ha is 15m. For sites 2.5ha or less, minimum setback of buildings for an activity from internal boundaries shared with an adjoining lot 2.5 ha or less or from land zoned General Residential is 5m, provided the setback from any adjoining lot larger than 2.5 ha is 15m.
Operative Western Bay	30m for front, side and rear yards for minor dwellings.

As described, the NPSHPL directs councils to manage reverse sensitivity effects on primary production. The proposed 5-metre setback undermines this intent. Rural zones are intended to support a low number of residential units, and primarily productive land use. Allowing MRUs at only 5 metres adds a high risk of conflict into the rural environment. It also reduces flexibility for future primary production uses on neighbouring sites due to the proximity of dwellings.

HortNZ recommends the NES requires a **minimum 30-metre side and rear setback** for MRUs located in rural zones or on sites adjoining land used for primary production however this could be reduced with the immediate neighbours written consent – eg – as a deemed permitted boundary activity³.

³ [Information-for-applicants-Deemed-permitted-boundary-activities.pdf](#)

1.4.3. SETBACKS AT RURAL - RESIDENTIAL ZONE BOUNDARIES

HortNZ opposes the proposed minimum 2-metre setback where residential zones directly adjoin rural zones. Such a narrow setback does not adequately buffer rural production activities from new sensitive residential developments. This insufficient separation increases the risk of reverse sensitivity, where complaints from nearby residents can result in operational constraints for growers.

The NPSHPL requires councils to manage reverse sensitivity effects by ensuring appropriate spatial separation between incompatible land uses. A 2-metre buffer is not consistent with this obligation.

HortNZ submits that a **minimum 30-metre setback** should be applied at the interface of residential and rural zones to provide an effective buffer that protects the long-term viability of horticultural activities and the productivity of highly productive land. This setback should be supported by appropriate landscaping or other mitigation where necessary to further reduce reverse sensitivity impacts.

1.4.4. PRINCIPLE UNIT SETBACK

HortNZ supports a minimum 2-metre setback between an MRU and the principal residential unit as it provides for flexibility in rural areas to locate the building in a position that best supports the operational needs of the primary production activity.

2. Discussion Questions

Q. 1.1 Are the proposed provisions in the NESGF the best way to make it easier to build granny flats (minor residential units) in the resource management system?

Yes. HortNZ supports an NES to provide a consistent pathway for MRUs, however notes that the NESGF has been developed primarily to address urban housing shortages and does not reflect rural conditions, particularly in areas of HPL.

Q. 1.2 Do you support the proposed permitted activity standards for minor residential units?

	Yes	No	Comment
A maximum 70-square metre internal floor area	Yes		The 70-square metre internal floor area provides sufficient space to accommodate seasonal or permanent farm workers.
One minor residential unit per site in common ownership with the principal	Yes		Requiring common ownership helps ensure that the MRU remains secondary to the principal dwelling.

residential unit on the same site			
50 per cent maximum building coverage in residential zones, mixed-use zones and Māori purpose zones (with no maximum coverage in rural zones)	Yes		Provides flexibility for landowners to construct buildings that support primary production such as pack houses, storage facilities, and worker accommodation without being constrained
Minimum front and side boundary setbacks of 2 metres in residential zones		No	The proposed 2-metre setback between residential and rural zones is inadequate to mitigate reverse sensitivity. HortNZ seeks a minimum 30-metre setback to provide a buffer that protects the continued operation of horticulture, in line with the objectives of the NPSHPL.
Minimum front boundary setbacks of 10 metres, and side and rear boundaries of 5 metres, in rural zones		No	The proposed 5-metre side and rear setbacks for MRUs in rural zones are insufficient to address reverse sensitivity effects on primary production. HortNZ recommends a 30-metre setback to provide adequate separation from primary production activities and to give effect to the NPSHPL's requirement to manage reverse sensitivity near highly productive land.
2-metre setbacks from the principal residential unit	Yes		Provides for flexibility in rural areas to locate the building in a position that best supports the operational needs of the primary production activity

Q. 1.3 Do you support district plans being able to have more lenient standards for minor residential units?

No. HortNZ opposes allowing councils to adopt more lenient standards. The proposed setbacks are already too permissive to protect against reverse sensitivity. These distances offer little meaningful buffer between sensitive residential activities and primary production land, where lawful horticultural practices are occurring.

Many growers operate on small blocks where the entire land parcel is actively used, and even a minor encroachment of residential sensitivity can trigger complaints, investigations, or operational constraints. Enabling councils to further weaken these already minimal setbacks increases the risk that productive land will become progressively less functional. This directly undermines the intent of the NPSHPL, which requires protection from reverse sensitivity.

HortNZ submits that if national direction is to enable MRUs in rural areas, it must set minimum bottom lines that councils cannot fall below, to ensure reverse sensitivity is effectively managed.

Q. 1.4 Should the proposed NESGF align, where appropriate, with the complementary building consent exemption proposal?

Yes. This provides for clarity, consistency, and efficiency across regulation and implementation.

Q. 1.5 Do you support the proposed list of matters that local authorities may not regulate in relation to minor residential units?

No. HortNZ opposes the proposed list of matters preventing councils from applying standards relating to parking, access, outdoor space, privacy, and sunlight. In rural areas, these elements are not just amenity considerations, they are essential to ensuring MRUs are compatible with primary production.

Without the ability to manage access and parking, there is increased risk of traffic conflict with horticultural machinery and fragmentation of land through multiple driveways. Similarly, lack of outdoor space or privacy controls can increase the likelihood of reverse sensitivity complaints.

HortNZ submits that councils should retain the ability to manage these matters in rural zones to protect operational efficiency and the productive capacity of highly productive land.

Q. 1.6 Do you support existing district plan rules applying when one or more of the proposed permitted activity standards are not met?

No. NES are intended to establish consistent baseline rules across the country. Allowing councils to revert to existing district plan rules when NES standards are not met undermines this purpose by reintroducing local variability and complexity.

However, the NESGF has been designed primarily to address urban housing challenges, with limited consideration for the realities of working rural environments. In rural zones, MRUs located too close to productive land can generate significant reverse sensitivity issues, such as complaints about noise, machinery use, or spray drift—ultimately restricting growers’ ability to operate effectively.

The NESGF’s one-size-fits-all approach does not reflect the distinct needs of rural production systems. Rather than relying on fallback district plan rules, HortNZ recommends that the NESGF itself include stronger rural-appropriate provisions, particularly minimum setbacks, to proactively manage reverse sensitivity and protect the viability of primary production.

Q. 1.6 Do you support the list of matters that are out of scope of the proposed NES-GF? Should any additional matters be included?

Matters out of scope	Out of scope	Comment
Subdivision	Yes	Subdivision has broader implications for rural land use, infrastructure demand, and long-term land fragmentation. Allowing subdivision as a permitted activity could inadvertently enable permanent residential intensification in areas intended for primary production, undermining the protection of highly productive land.
Earthworks	Yes	Earthworks can generate significant environmental effects such as sedimentation, erosion, and disturbance of culturally or ecologically sensitive sites. Local councils are best placed to assess and manage these risks based on site-specific factors like slope, soil type, and proximity to waterways.
Matters of national importance under section 6 of the RMA (eg, management of risks from natural hazards)	Yes	These matters require site-specific assessment and often involve regional or district-scale hazard mapping, engineering input, and local knowledge. Blanket national provisions risk overlooking critical localised risks such as flooding, coastal erosion, or land instability.
Specific use of the minor residential unit (other than for residential activities)	Unclear	The proposed NES currently lacks clarity on whether it applies strictly to <i>granny flats</i> or more broadly to MRUs which may be used in a wider range of contexts, including worker accommodation.
Regional plan rules	Yes	Water take consents will still be required under relevant regional council rules if the proposed granny flat increases water demand beyond permitted limits. It should be noted however that additional water use in overallocated catchments in rural environments will impact on primary production.
Papakāinga	Yes	The NES Papakainga sets out its own permitted and consented pathway.
Setbacks from transmission lines,	No	Setbacks from activities such as frost fans, artificial crop protection structures, and other primary

railway lines and the national grid yard.

production infrastructure should remain in scope to ensure land use compatibility and avoid reverse sensitivity effects. These structures are essential to horticultural operations and can generate noise, shading, or visual impacts that may be unacceptable to residential occupants if located too close.

3. Conclusion

While HortNZ supports the goal of increasing housing flexibility, the proposed NESGF fails to adequately distinguish between urban and rural contexts. Applying a uniform set of standards across all zones risks undermining the productive capacity of rural land and exposing growers to reverse sensitivity effects. MRUs, as sensitive activities, must be carefully managed in rural environments to ensure they do not conflict with established horticultural operations.

To achieve the right balance between housing choice and land-use compatibility, HortNZ recommends that the NESGF be amended to include stronger setbacks for MRUs in rural zones. Without these changes, the NESGF may unintentionally compromise the long-term viability of New Zealand's horticultural sector.