



Phase Three of the Planning and Design  
Code  
Submission



**MASTER BUILDERS**  
SOUTH AUSTRALIA

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## 1. Background: Who we are and the importance of the building and construction industry to South Australia's economy

Established in 1884 as the peak body representing South Australia's building and construction industry, Master Builders SA is committed to building a highly productive industry and a prosperous South Australian community and economy.

Building and construction is the second largest industry in Australia. In 2018 South Australia's building and construction industry undertook \$12.84 billion of work, contributing more than \$1 for every \$7 of economic activity within the state. Indirectly, more than one-quarter of South Australia's wealth is produced by the building and construction industry.

As at February 2019 there were 72,151 people directly employed in the industry across all sectors, including residential, commercial, civil engineering, land development and building completion services. This represented 8.49% of total employment in South Australia, and our industry makes up 11.5% of total full-time employment. Indirectly, the industry supports tens of thousands more South Australian jobs.

Master Builders SA is proud of the industry we represent, the jobs it creates, the more than 10,000 homes built and extended for families last year, the outstanding health, education and sporting facilities it has constructed, and the offices it has built for South Australian businesses.

## 2. Overview

Master Builders SA is concerned that the government's planning reforms are moving away from their stated intention of creating a system that is simpler, quicker and easier to use, and gives certainty to planning processes.

The new system is complex and quite difficult to navigate and understand, even for experienced practitioners. Master Builders SA accepts the need to delay implantation of Phases 2 and 3 of the Code until it is "business ready". It is important that the system is properly trialed in order to test all procedural mechanisms and fix any issues. That said, there must be a sense of urgency as until the new Code is online right across South Australia our industry is stuck using the current inefficient system that is a source of great frustration for our members. There is currently more than \$1 billion worth of work for our industry in council planning departments waiting to be processed. It is unacceptable that South Australia is missing out on the economic and social benefits unlocking this potential would deliver, especially given the state's long-term struggle to address high unemployment, especially youth unemployment.

We are also concerned about the potential impact the draft Code would have on housing affordability. Relentless cost pressure as a result of overregulation has already seen 12 home builders go under since November 2018. Whilst only one of these 12 builder was a Master Builders SA member, the financial impact on many of our subcontractor members has been severe and most of our members continue to report a tough market. The insolvencies have received a large amount of media attention, which has undermined confidence in the industry. The number of housing dwelling commencements was 8,210 in 2017-18. That fell 10.4% to 7,360 in 2018-19 and is forecast to decline each year over the next four years to 5,836 in 2022-23 according to the February 2019 Master Builders Industry Forecast<sup>1</sup>.

The building and construction industry, a major employer in the South Australian economy, needs an environment where people feel confident to build and businesses feel confident to invest. The importance of a fast and simple development assessment process and housing affordability cannot be overstated. Currently there are many developers holding off on making decisions on projects as they are not sure of the rules that will be in place. Any project with a decent lead time (i.e medium density, anything requiring architects and designers) is already probably on hold waiting if they aren't with a council. The current situation is also terrible for members designing show homes, who say they really aren't sure what is going to come out at the end of the process.

It must be stressed that there are many things proposed that will benefit our industry such as ePlanning and greenfield master planned estates being assessed differently to infill in a more streamlined approach. The deemed approval process and the exclusion of eaves in the assessment criteria for housing site coverage are also strongly welcomed. Positive initiatives such as these must not be overshadowed by subjective, overly descriptive, and arguably unnecessary code requirements. We remain resolute in our belief that housing must remain affordable for the average South Australian.

Our submission on Phase Two of the Code focused on the fact that some of the minimum benchmarks for 10 day turnaround on applications – such as increased landscaping, stormwater retention, garaging and parking requirements – would substantially increase the cost of builds. Individual regulation is often looked at in isolation and not seen as a big deal, but they all add up.

In our consultation for this submission many members expressed their concern that a number of the new requirements are more excessive than those under the existing ResCode. At 3000 pages the Code is voluminous, so we have focused on key issues. As always, Master Builders SA has sought to be constructive and provide suggested alternatives wherever possible. It is important that the government not only takes this feedback seriously, but also has the right systems in place to ensure the Code can continue to be reviewed post-implementation and if necessary, amended.

### 3. Building issues

As stated previously, planning reforms must strongly consider their potential impact on housing affordability and the wider economy. Master Builders SA strongly supports consumer choice. Whilst a reasonable level of regulation is acceptable we don't believe things like rainwater tanks, window dimensions, room size and site coverage need to be specified. This is a restriction of personal freedom and cost impacts are felt the most by those who can least afford it - first homebuyers. It should be remembered that South Australia's market has the lowest percentage of first homebuyers in Australia.

#### 1. Overlays and referrals

The impact of overlays that exclude the DTS assessment process will be longer assessment timeframes. Master Builders SA believes that overlays should not be listed as "exceptions" when determining whether a "Class of Development" can proceed as DTS development.

The draft Code would exclude dwellings from a DTS pathway if they are located within the Building Near Airfields overlay. Although the assessment provisions for this overlay is silent on residential development it would need to be performance assessed purely due to the overlay being in place.

Similarly, dwellings located within any of the Hazards (Bushfire) overlays are excluded from being considered as DTS. This is unnecessary where the requirements of the CFS are known and no referral to the CFS is triggered and should be assessed as DTS.

#### 2. Private open space (General Development Policies – Design in Urban Areas – Table 1 – Outdoor Open Space)

It is unclear why the 300m<sup>2</sup> allotment requirements under the ResCode has been increased. The effect is 36m<sup>2</sup> more private open space is required. Rather than private open space requirements being determined by the size of the site, a single private open space for all allotment sizes (other than very small developments such as apartments for example) would be more practical.

3. Soft landscaping (General Development Policies – Design in Urban Areas – DTS/DPF 21.1)

Under what is proposed the size of the site determines the soft landscaping requirement. Master Builders SA believes the proposed percentage is excessive and will reduce the size of dwellings able to be accommodated on a site. In addition, greenfields developments will require larger allotments, making housing less affordable for those wanting larger homes.

4. Public notification (Procedural matters in all zones)

The number of applications that require public notification will significantly increase under the new Code. This will negatively impact on housing affordability due to additional costs and longer timeframes.

For example, a single minor departure from the requirements for wall height or articulation or site area will mean an application will be publicly notified, as will an allotment that already exists but does not achieve a minimum DTS site area.

Master Builders SA believes longer timeframes is not consistent with the stated objectives of the planning reforms and that the Code should not deliver increased public notification requirements than the current system.

5. Garage internal dimensions (General Development Policies – Design in Urban Areas – DTS/DPF 23.1)

The proposed requirement is more than what is required under Australian Standards and will force many builders to change their plans. This will have a particularly large impact on volume builders, whose clientele is made up of many first homebuyers, especially for the designs on smaller allotments. Master Builders SA believes if policy is to change from the current ResCode requirements it should be to minimum Australian standards.

6. Top of kerb (General Development Policies – Design in Urban Areas DTS/DPF 17.1)

Under the proposed requirement the ground level finished floor level of the house must be 300mm above the top of the kerb. In the instance that the allotment is lower than the top of the kerb due to natural land slope, will all of these dwellings be excluded by default from DTS? If so this is unnecessary because a stormwater connection point or a stormwater system designed by a qualified engineer would provide an acceptable outcome.

7. Internal room dimensions for primary street facing habitable room (General Development Policies – Design in Urban Areas DTS/DPF 14.1)

The minimum 2.7 metre dimension for a 'primary street facing habitable room' will reduce garage options on affordable narrow allotments. It will also limit choice for people seeking a double garage. This is another unnecessary regulation of consumer choice.

8. Two square metres of glazing (General Development Policies – Design in Urban Areas DTS/DPS 14.1)

Under the Code each dwelling with a frontage to a public street must include at least one window with a total area of at least 2m<sup>2</sup> facing a primary street from a habitable room that has a minimum room dimension of 2.5m. Again, this is another unnecessary regulation of consumer choice and will result in houses all looking the same. Why can't a person choose multiple windows if they want?

9. Garage width and building on boundaries for narrow allotments (General Development Policies Design in Urban Areas DTS/DPF 18.1)

The Code introduces narrow allotment width requirements for double garages. Many members have advised that this will cause issues with many designs that have proven to be popular with first homebuyers in particular and likely result in single width garages only being achievable.

A concern that has been raised during discussions on planning reforms has been the lack of

carparking available on streets. This will not be addressed by limiting options that provide double garaging.

If garage sizing must be regulated – and we don't believe it needs to be – the maximum garage width requirement should be increased to 60 per cent to allow a double garage on a 10 metre wide allotment.

10. Tree plantings (General Development Policies – Design in Urban Areas PO 21.2)

Whilst well intentioned this requirement will make housing less affordable, has the potential to cause serious legal issues and should be excluded.

For engineers to warranty the house footings there will be an increased footing size to deal with potential roots (increased steel and concrete which will increase costs).

11. Rainwater and stormwater detention (General Development Policies DTS/DPF 22.1)

Master Builders SA's position on compulsory rainwater tanks is well-documented: we have no problem with them, but they should not be compulsory. The Code increases the minimum requirement from a 1,000 litre tank to a 2,000-5,000 litre tank (depending on lot size). This will be difficult to achieve on smaller allotment sizes after private open space, tree and storage requirements are met. This will affect house sizes and housing affordability.

12. Waste storage (General Development Policies DTS/DPF 24.1)

An exclusive 3 square metre for waste will need an increase in private open space which will result in either increased allotment areas or reduced house sizes. There is no need for this requirement.

13. Design features, front elevation (General Development Policies DTS/DPF 18.2)

The proposed minimum three design feature options is unnecessarily constricting. With only four

options for single storey designs, with two based on entry feature, a lack of variety in street elevations is likely. Once again, Master Builders SA supports consumer choice.

## 4. Summary

Master Builders SA believes the draft Code contains some positive aspects. However, we are unconvinced that in its present form it will fulfil its stated objectives. The key aspects we have identified present serious challenges for the building industry and housing affordability.

We remain committed to working closely with the government to deliver a Code that will drive jobs and economic growth and deliver better communities. We believe our suggested amendments will go a long way to helping deliver these outcomes.

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<sup>1</sup> A copy of this forecast is included with this submission